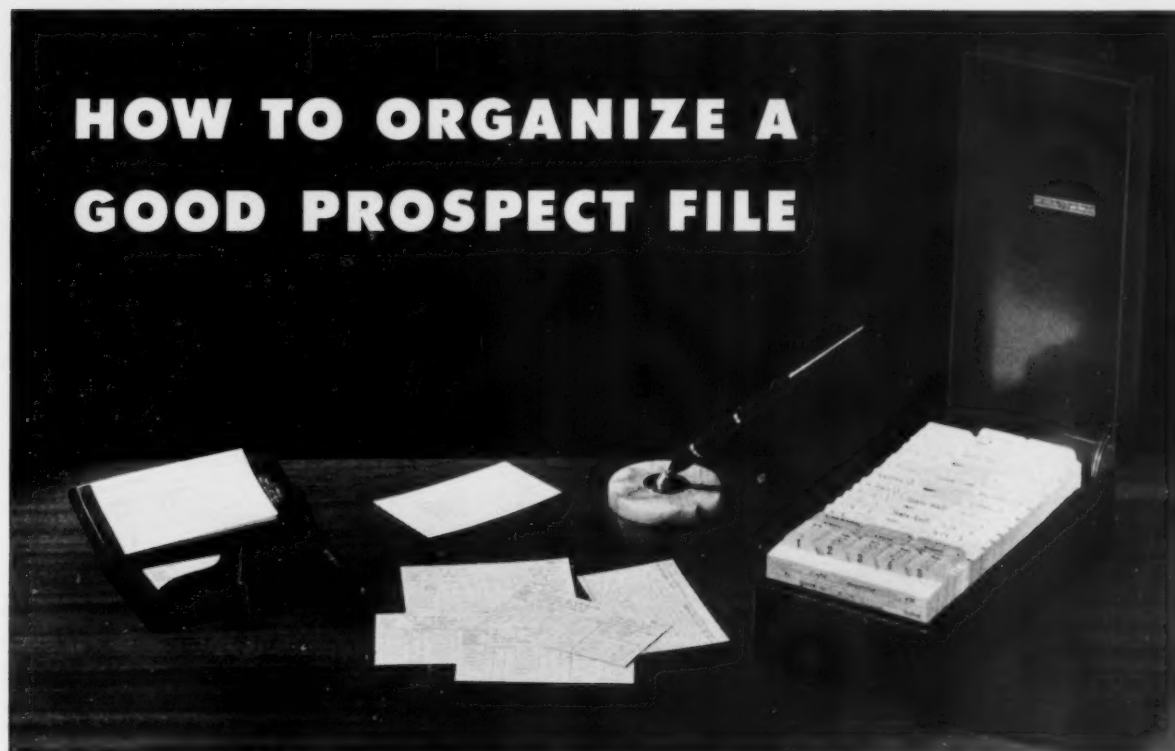


The NATIONAL UNDERWRITER

HOW TO ORGANIZE A GOOD PROSPECT FILE



Quoting from PRACTICAL PROSPECTING—

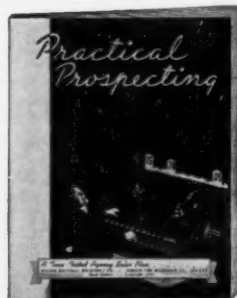
"The first step in a good sales plan is to build a good, permanent prospect record file. We cannot possibly remember all the useful information we should have for intelligent solicitation. It is very unsatisfactory to try to keep this information under our hats. A card file is the solution—a file into which we can feed information which will be at our finger tips when we want it—a file that is not too difficult to maintain—and a file that is above all . . . workable."

The way to build a good prospect file is outlined step by step in PRACTICAL PROSPECTING . . . a plan developed by our Business Development

Department after a great deal of research in the field of agency sales planning.

PRACTICAL PROSPECTING not only shows you how to work up a good prospect file but sets up a complete plan to make your time more profitable . . . shows you how to plan your campaigns . . . how to use direct-by-mail advertising and crack more sales on your first interviews . . . and how to be your own sales manager in the real sense of the word.

This tested sales plan, originally prepared as an exclusive service to our agents, is now published in a popular booklet edition. A copy will be sent you upon your request . . . and with no obligation on your part. Please use the coupon below.



MILLERS NATIONAL INSURANCE CO. ILLINOIS FIRE INSURANCE CO.

HOME OFFICE: 137 W. JACKSON BLVD., CHICAGO

Please forward a copy of PRACTICAL PROSPECTING. I understand there is no obligation on my part.

NAME

ADDRESS N. U. 9-41

SERVICE HEADQUARTERS FOR ALERT AGENTS

MICHIGAN AGENTS CONVENTION

THURSDAY, SEPTEMBER 13, 1941

"SELL PROTECTION — NOT POLICIES"



This Is A Fireman

What is he doing?

He is trying to put out a fire.

Suppose he doesn't put out the fire?

Then the building will be destroyed.

Are the owners insured?

They probably have Fire Insurance but that won't save them from losing a lot of money unless they have Business Interruption Insurance too.

But didn't the man who sold them fire insurance sell them Business Interruption Insurance as well?

Maybe! Let's find out.

Did you?

THE AMERICA FORE INSURANCE AND INDEMNITY GROUP

BERNARD M. CULVER, President

FRANK A. CHRISTENSEN, Vice-President

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-fifth year. No. 38. Thursday, September 18, 1941. \$4.00 a year (Canada \$5.00), 20 cents per copy. Entered as second-class matter April 26, 1931, at the post office at Chicago, Ill., under Act of March 3, 1879.

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 38

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, SEPTEMBER 18, 1941

\$4.00 Year, 20 Cents a Copy

Pa. Agents Reelected All Officers at Annual Parley

**Vigorous Program Presented by President
Thomas and Associates**

NEW OFFICERS ELECTED

President—W. Ray Thomas, Pittsburgh.

Vice-presidents—J. F. Morgan, Lewistown and W. C. McCormick, Williamsport.

Treasurer—C. M. Thumma, Harrisburg.

Secretary-manager—Frank D. Moses, Harrisburg.

Directors: James Tanner, Erie; G. A. McDowell, Greensburg; Thomas H. Raugh, Altoona; Joseph Nederlander, South Forks.

By DOROTHY B. PAUL

All officers of the Pennsylvania Association of Insurance Agents were reelected at the closing session of an outstanding convention at Delaware-on-Hudson.

The local board award was presented to the Mid-West Pennsylvania Association, of which James T. Abrams, Butler, is president, and Harrison M. Fines, Butler, is secretary-treasurer.

The Pittsburgh association has offered to the state association an annual award to be given to the local board showing the greatest proportional achievement in membership building and maintenance during the year, and this announcement met with great applause. This is to be known as the James W. Henry memorial award. The offer was accepted at the directors' meeting Sunday.

The association strongly endorsed the resolution passed by the National Association of Insurance Agents proposing a revision of the federal revenue laws to provide proper taxation of mutual and participating companies. Members of the state association were urged personally to advise their respective representatives in the Congress of this logical source of additional and equitable revenue.

Ray Murphy, assistant manager Association of Casualty & Surety Executives, was complimented for his able presentation of the case before the Senate finance committee last month and he was pledged full support in his further endeavor in this regard.

It was also resolved to urge the Pennsylvania insurance commissioner to require persons or firms designated as advisor under the war and navy departments' cost-plus-fixed-fee insurance plan to be duly licensed agents or brokers for work within the state.

With the understanding of the association that the Pennsylvania insurance

(CONTINUED ON PAGE 10)

Smith Tells W.U.A. Agency Compensation Is Big Issue Urge Opposition to Federal 10% Tax in Canada

WHITE SULPHUR SPRINGS—There is a pressing obligation on the Western Underwriters Association to take in hand immediately for early and positive attention the whole question of compensation to agents, with special reference to brokerage and non-policy writing agents, C. H. Smith, western manager for Hartford Fire, and president of the association said at the mid-year meeting here. Mr. Smith put particular emphasis on this subject "to invest it with more force and urgency than is generally understood as attaching to a routine recommendation."

In Public Eye

Mr. Smith called attention to "the abuses and the injustices that flow from improper allocations of residual brokerage commissions, and the inconsistencies and inequities that are in the growing practice of writing policies for agencies in important agency centers."

"We are to a degree on trial, our actions and methods are being questioned and will be questioned to a greater extent in the future than at present by our agents and the public. We may not think that the public is interested in our relations with our agents, but if so, we are mistaken," he asserted.

Regulation of compensation to agents is an internal matter, he said, and as to most of the association states, regulation of commissions is permissible. Mr. Smith pointed out that no one has ever heard the public cry out against limitation of acquisition costs. Competition of high commission companies is no justification for breakdown of commission regulation. As a matter of experience, high commission competition is the least bothersome in those localities where commission regulations are best observed by organization companies and, contrarywise, the greatest competition difficulties are encountered where regulation does not exist or has broken down.

Regulate Selves

The whole question of regulation of compensation to agents, in all of its various phases, comes down to a matter of W. U. A. members regulating themselves and their relations with each other. After all, competition in the matter of compensation to agents within the membership is much more hurtful than commission competition from the outside.

"Present day conditions give us a better opportunity than we have had for many years to successfully meet mutual competition. I am not one who feels that the mutuals should be put out of business, nor do I feel that we gain anything by knocking them. Now is the time for us to build good will for ourselves and to stress the quality of our indemnity and services. Now is the time too for us to assist our agents, through direct assistance and through education, into a position where it can be demonstrated that their service is a valuable asset to assured and well worth the difference in cost between our insurance and that of cooperatives. As a matter of fact, the difference in cost is usually

exactly what the agents make it. Unquestionably the agent who does a good job is worth his hire. The agent who does not do a good job should be educated to the point where he will do a good job or eliminated."

Time for Sound Thinking

This is no time for appeasement or any attempt to turn to unsound underwriting practices to meet some situation, Mr. Smith said. This is the time for straight thinking and the application of sound principles to the business. It is a time for a strong, dignified, defensible approach to all of the problems in the business, to root out unsound practices and substitute practices that build for the future, to put the business squarely before the public, employees and agents so that they will all have the high degree of respect for the fire insurance business that the business merits.

Business is Well Equipped

Fire insurance in the middle west has never been so well equipped for a severe test of its capabilities and services, Mr. Smith said. There are the state inspection bureaus to weigh and tag fire hazards; that post-graduate authority on all hazards, the Underwriters Laboratories; the company loss adjustment bureaus with adequate and experienced field staffs, and the successfully managed Underwriters Salvage Co. to service distressed merchandise and commodities. Over all of these is the National Board with its unsurpassed services covering the Nation with a particular and direct contact with the public and agents of the public.

All these items with liberalized contracts and constantly working machinery to keep policies and policy forms abreast of needs of the public, together with independent specialized inspection services and specially trained engineering counsel provided by individual companies and company groups, comprise the equipment and mobilization of fire insurance in the territory of the W. U. A. for eventualities, ordinary or extraordinary. "Against the background of organization and equipment is the right to govern ourselves."

Surplus Line Group to Confer

A meeting of the Surplus Line Association of Washington was called for Thursday by R. E. Voigt, chairman. The session will be the first since the association began operating its office which coincided with the effective date, June 11, of the new Washington surplus line law.

Agency Conventions Reported This Week

Five important state agency conventions are reported in this issue of THE NATIONAL UNDERWRITER:

Michigan, page 17.
Pennsylvania, page 1.
Minnesota, page 13.
Vermont, page 9.
North Dakota, page 4.

Tax in Canada

**Superintendents Group
Also Treats Confused
Cover, Other Problems**

TORONTO—Attorney-general Conant of Ontario, speaking at the annual conference of the Association of Superintendents of Insurance, called upon all provinces in Canada to unite with Ontario in its fight against federal government legislation which will, when enacted, impose a tax of 10 percent on premiums of British and foreign insurance companies in Canada that do not have a federal license. These companies are at present operating, for the most part, under provincial licenses.

Mr. Conant termed this an encroachment on provincial insurance rights, and he said it must be prevented or it will have far reaching effects on insurance companies, not only now, but with possible future enactments of a different nature. Ontario has emphatically opposed the legislation. The federal government, due to Ontario's protest, is taking the legislation to the supreme court in the near future to test its validity, and at this hearing Ontario will have a delegation headed by Mr. Conant and Superintendent McNairn of Ontario to oppose the federal government's attempt to impose the tax. The attorney-general called on all the other provinces to back Ontario's stand and have representatives in court, else the British and foreign companies may be burdened with a tax that "would make operation of business prohibitive."

Confusion in Cover

If insurance companies can't get together on uniform statutory conditions covering all types of property insurance so that there is no doubt as to assured's protection, it may be necessary for the provinces to take legislative action to achieve this end. This recommendation was contained in a report by the standing committee on definition and interpretation of underwriting powers of fire, marine and casualty insurers. Superintendent McNairn, Ontario, is chairman of the committee.

The committee's report said that there is a definite conflict in the provisions respecting other insurance contained in property insurance policies giving so-called specific insurance and those contained in floater policies covering the same property. The effect of such conflict may in some instances leave assured without coverage or with only partial coverage when a claim arises, or may give rise to a dispute as to which policy should pay, involving unnecessary litigation. It should be possible to word

(CONTINUED ON PAGE 12)

Charles S. Kremer Named President of Hartford Fire

**New Chief Executive
Has Been with Organi-
zation Since 1910**

The new president of Hartford Fire is Charles S. Kremer, who has been with that company since 1910 and who has been vice-president since 1935. He takes the place left vacant by the death of Richard M. Bissell. That the mantle would fall upon Mr. Kremer was anticipated by a good many who were familiar with the Hartford Fire organization.

He is recognized as a man of judgment and experience and he has the personal qualifications for leadership.

Mr. Kremer was born in Bedford, Pa., in 1875. He attended Mercersburg Academy and graduated from Franklin & Marshall College.

In 1902 Mr. Kremer entered the insurance field as an inspector for the Underwriters Bureau in the middle and southern states of the Atlantic coast. In 1910 he went to Hartford Fire as special agent in western Maryland and Pennsylvania and in 1913 was transferred to western Pennsylvania.

In 1920 Mr. Kremer was appointed assistant secretary and in 1925 became secretary. In 1935 he was elected vice-president.

Mr. Kremer has assumed responsibilities in organization work. He was elected this year as president of the Factory Insurance Association and he is a member of many committees of the National Board.

He is a brother of John Kremer, vice-president of the North America. The name is pronounced as if it were spelled "Creamer."

Hartford College Increases Faculty, Fields, Courses

New fields of concentration are being offered by Hartford College, which has opened its third academic year, and the curriculum has been bolstered by five new subjects. The new fields, each calling for three years of specialized study, are casualty, life and fire and marine insurance. From the start the college has offered a general insurance course covering all lines as well as a combination four year insurance law course, both leading to the bachelor of science in insurance administration degree.

Four new instructors have been added to the staff of the college. They include Bernard Flaxman, assistant secretary and William S. MacKenzie, statistical and actuarial department, Hartford Fire; Howard M. Bromage, agency department, Aetna Casualty, and Gordon C. Streeter, actuarial department Aetna Life.

The new courses to be taught are insurance marketing, insurance accounting, accident and health insurance, insurance investments and advanced life insurance.

Summers E. West has resigned from Greene & West of Pueblo, Colo., and has opened a general insurance office in the Central block there.



C. S. Kremer

Van Schaick Tells Purpose and Value of Supervision

PITTSBURGH—Pointing out that strong government supervision, by decreasing the chance of insurance company failures, diminishes the possibility of government ownership and operation of the insurance business, G. S. Van Schaick, Rochester, N. Y., vice-president New York Life and former New York insurance superintendent, discussed the proposals made to the Temporary National Economic Committee for the strengthening of state supervision by cooperative action with the federal government at the meeting of the Pittsburgh Life Underwriters Association and Pittsburgh Chamber of Commerce.

Mr. Van Schaick said that for some reason these proposals have received very slight attention, although there has been much talk about federal supervision and the fears of many that this would centralize still further the power of the government at Washington. He said that the suggestion does not involve the federal governments supplanting the state nor interfering with their regulatory procedures, but acting as an adviser and a collector and distributor of information. The plan includes an advisory insurance council to be made up of state supervising officials, representatives of a federal insurance agency, insurance companies and policyholders.

Strengthens State Departments

The plan also brings out a number of other points for strengthening individual state departments, Mr. Van Schaick continued. This includes the retention of able insurance commissioners, regardless of politics, more help and more efficient employees at more adequate salaries, increase of tenure and enhancing of the importance of commissionerships, extension of civil service protection in the departments, removal of duties other than insurance supervision, elimination of special examiners and other patronage practices, revision of the practice of assessing expenses of examination directly on the companies, strengthening of state examinations, firmer control of agency practices, reduction of the number of approved policy forms, close control of director activities in company affairs, more effective checks on company management and a revision of liquidation procedure by unification under an amendment to the federal bankruptcy act. Mr. Van Schaick said that he did not propose to argue the merits of this plan, but that it is probably the most constructive suggestion yet made for strengthening the system that most insurance men want to survive and he urged that it be considered carefully.

Mr. Van Schaick said that the insurance companies should always be alert to oppose an opening wedge for federal control, if not federal ownership. On

the other hand, he pointed out that the one argument which proponents of socialized insurance can make is based upon insurance company failures. If governmental ownership and operation of insurance ever comes, he said, "it will be because supervision has proven inadequate to the tasks allotted to it." Hence, he said, insurance men should always be interested in any measure which will strengthen supervision, because if the structure of insurance proves sound there can be no argument for government ownership.

Supervision Not New

The Massachusetts insurance department was established in 1854 and the New York department in 1859 and Mr. Van Schaick mentioned that these dates are often pointed out as the beginning of state supervision. He said, however, that supervision is actually much older than this and that reports of condition had been required by state governments for many years previous. The establishing of separate insurance departments was simply a recognition that the problems were so complicated that they needed them.

Mr. Van Schaick's address was entitled "The Quest for Security" and he spoke of the early days of insurance, referring to the early cooperative fire fighting companies and to a certificate of a New York rural justice of the peace of 1821, indicating that a farmer had lost his buildings through fire and lightning and that the disaster was shared by the neighbors. He quoted the famous theory of insurance in the report of a committee in the House of Commons in 1829: "He upon whom the contingency does not fall does not get his money back again nor does he get for it any visible or tangible benefits. He does obtain security against ruin and consequently peace of mind. He upon whom the contingency does fall gets all that those whom fortune has exempted from it have lost in hard money and thus is able to sustain an event which would otherwise overwhelm him."

Caminetti Issues Warning

Granting insurance net to companies' employees violates the California code and jeopardizes companies' licenses, Commissioner Caminetti of California warned in a bulletin. He said a few organizations of "general agency" or "underwriting manager" types consider themselves part of the company organization and have not obtained licenses to act as agent, which must be remedied. He set Oct. 1 as a deadline beyond which these violations will not be tolerated.

Many agents, brokers and solicitors are mingling insurance premiums with their own money in general commercial accounts, the commissioner stated. These funds under the code must be held in a fiduciary capacity. He recommended either establishing an insurance trust account with the producer named as trustee or an arrangement to remit directly to the company.

25-Year Man



JOHN L. MYLOD

As a reminder that Sept. 12 marked the 25th anniversary with North British & Mercantile, Assistant United States Manager J. L. Mylod found his office decorated with baskets of rare flowers when he entered it that morning. Later in the day he was luncheon guest of his associates at the Bankers Club, in the course of which United States Manager C. F. Shallcross, on behalf of those assembled, presented him with a handsome wrist watch. Other expressions of regard took the form of a traveling bag from the field men of the west, a set of cuff links and studs and various other articles from the office staff.

Mr. Mylod went with North British at the head office. Four years later he was transferred to Chicago as superintendent of the Cook county automobile and inland marine department, in which post he remained for seven years, when he was recalled to the main office to head the automobile department. He was appointed secretary in 1929. Subsequently he became western manager. He was named assistant United States manager in 1937.

August Fire Losses Show Increase of 16.4%

August fire losses in the United States increased 16.4 percent over August, 1940, and was a record for that month, according to the National Board. Losses amounted to \$24,122,000, an increase of \$3,399,900 over last year.

With August losses the total for this year for the first time passed the total for last year to the same date. The trend has been upward since March. For the first eight months losses totaled \$211,773,000 compared with \$211,114,380, an increase of .31 percent.

Auto Premiums Responsible for Fourth of Stock Volume

According to Best's, the 1940 automobile business accounted for more than 1/4 of the total premium production reported by stock fire companies. The percentage is expected to be greater in 1941. Premium income from automobile insurance may exceed \$275,000,000 this year. It increased from \$64,000,000 in 1936 to \$236,000,000 in 1940.

Growth of the automobile business received a decided spurt in 1934 when the major finance companies called for automobile deductible collision coverages in addition to fire and theft insurance on financed purchases. More than half of the increase in stock company premium writings, which increased from \$615,000,000 in 1933 to \$917,000,000 in 1940, was automobile income.

THIS WEEK IN INSURANCE

Commissioner Johnson tells Minnesota agents convention he will not license automobile dealers for General Exchange. **Page 13**

Aero Insurance Underwriters brings out first aviation manual. **Page 21**

Charles S. Kremer, formerly vice-president, is elected president of Hartford Fire. **Page 2**

Colorado Agents announce program for their convention in Denver Oct. 3-4. **Page 35**

E. L. Scheuffer, Kansas City attorney, is named Missouri superintendent. **Page 3**

Mutual Benefit Health & Accident and United Benefit Life hold eastern agents convention at Bedford Springs, Pa. **Page 22**

Agents' compensation is the big topic at Western Underwriters Association's mid-year meeting. **Page 1**

Vermont Association of Insurance Agents meets at Woodstock. **Page 9**

Fritz Norby of Great Falls was elected president for the Montana Association of Insurance Agents at its meeting in Billings this week. **Page 3**

All the officers of the Pennsylvania Association of Insurance Agents were re-elected at the annual meeting this week. **Page 1**

Guy M. Cox elected president of Michigan Association of Insurance Agents. **Page 17**

Canadian superintendents oppose proposal for heavy tax on foreign carriers. **Page 1**

Confer on New York assigned automobile risk plan. **Page 21**

G. S. Van Schaick tells of value of supervision. **Page 2**

Montana Men Elect Norby as President at Annual Meeting

Arnold Huppert, Well Known Wheel Horse, Reelected as Secretary

BILLINGS, MONT.—Fritz Norby of Great Falls was elected president of the Montana Association of Insurance Agents at its annual meeting. Matt J. Kelly of Anaconda becomes vice-president and the old reliable Arnold Huppert of Livingston was reelected secretary.

Report of resolutions committee was made by Chairman I. J. Bennett of Missoula.

Attorney-general John W. Bonner gave an address on "The Attorney General's Office in Relation to the State Government." He said, "Do not lose sight of our responsibilities as citizens. Forget about the defects of a democratic form of government and look for the benefits. Do not lose confidence in your government. Ours is truly the greatest democracy."

H. W. Semmelmeier, manager, department of public relations Pacific Board, gave an address on "Producers Problems."

Chuck Wagon Dinner

A "chuck wagon" dinner was held on the "Rims" overlooking Billings.

The convention was the largest in history, with nearly 200 registered.

Mayor Trott extended a welcome, with response by P. J. Driscoll, past president, Butte, and invocation by Byron H. Jennings, past president, Anaconda.

The convention was called to order by Peter Yegen, Jr., president. In his annual address Mr. Yegen stressed the fine spirit of cooperation existing between companies and local agents.

An address by J. R. Carmichael, president Montana Fire Underwriters Association, was the highlight of the morning session. His subject was "Cooperation and Service." The address was well received. It was a critical review of agency and special agents affairs.

Many Reports Given

Reports were read by Regional Vice-presidents Fritz Norby, Great Falls; K. H. Burrell, Helena, and Frank Hazelbaker, Missoula. Secretary Arnold Huppert reported.

Milton C. Kennedy, assistant manager, Hartford Accident, San Francisco, spoke on "Insurance Education." Past President Chauncey R. Fowler, Lewistown, reported for the contact committee.

In the afternoon session a panel discussion was led by John T. Breckon, assistant director of B. D. O., San Francisco. His assistants were Dean Stanley, Great Falls; H. L. Reilly, special agent, New York Underwriters, Great Falls; Branch Manager W. L. Quick, Fire Companies Adjustment Bureau, Billings; Fritz Norby; R. A. Nelson, special agent, Rocky Mountain Fire, Great Falls.

On Public Relations

The public relations report was delivered by Irvine Bennett, Missoula; that of the casualty insurance contact committee by Matt Kelly, Anaconda; the Business Development Committee report by Miss Charlotte Imes, Sidney, Mont. The rural agent's committee report was read by G. C. Waite, Bozeman.

National Councillor Ed Heidel, Boze-

B. D. O. Enlarges Assistants' Duties

Breckon, North and Westervelt Are Given Larger Territories

Business Development Office activities in Colorado, Wyoming and New Mexico have been placed under supervision of John T. Breckon, assistant director in charge of the Pacific Coast B.D.O. office, it was announced by Director Milton W. Mays. Mr. Breckon also supervises B.D.O. work in Arizona, California, Idaho, Montana, Nevada, Oregon, Utah and Washington. It has become necessary to maintain closer contact with agents and fieldmen.

Others Duties Increased

Pierce North and Fred Westervelt, assistant directors, have been given supervision over separate territories, Mr. North of all E.U.A. and S.E.U.A. states and Virginia and West Virginia; Mr. Westervelt, W.U.A. territory, Texas, Arkansas, Louisiana and Mississippi. Both continue to make their headquarters in New York.

Under these arrangements the three assistants will be able to give more personal attention to problems in the various states under their supervision, and more of Mr. Mays' time will be available for planning, supervising and directing B.D.O. activities nationwide.

Mr. Mays will meet Mr. Breckon in Denver Oct. 1 to discuss activities to be undertaken in the three states which have been added to the far western territory. Mr. Mays is scheduled to participate on the program of the Colorado Association of Insurance Agents convention.

Breckon Confers on Coast

Mr. Breckon was in Oregon and Washington conferring with officials of the agents' and fieldmen's organizations and mapping plans for fall educational programs in the two states. He addressed the Montana agents' convention at Billings, and also was to speak before the Wyoming agents' annual meeting at Casper, Sept. 19-20.

At Portland, Mr. Breckon met with officials of the Oregon association and field representatives, then went to Seattle. A joint committee of agents and fieldmen shortly will announce a series of meetings to be held in key cities of western and central Washington. H. H. Bartlett, St. Paul group, is chairman of the special agents' committee which will present the programs. A new agents' committee is being named to cooperate with the company men.

A. S. Heatfield, Selbach & Deans, is chairman of the Inland Empire fieldmen's committee which is mapping a campaign in cooperation with Mr. Breckon in the eastern Washington and Idaho field.

man, was unable to attend. His report was read by Secretary Huppert.

The address of A. M. Brown, Jr., on "A Primer for Company-Agency Relations," was illustrated by amusing incidents taken from the lives of special and local agents formerly traveling the Pacific Coast territory.

A dinner and dance were held at the Billings Club attended by over 200.

Fred A. Moreton's Talk

The present position, purpose, value and destiny of the American agency system was discussed by Fred A. Moreton, Salt Lake City agent, and member of the executive committee of the National Association of Insurance Agents. Mr. Moreton urged agents to examine and reexamine their business and their thinking in relation to this system and what they want to make of it for the future. This does not mean that agents should become preoccupied with self-interest,

Scheufler, K. C. Attorney, Named Mo. Superintendent

JEFFERSON CITY, MO.—Edward L. Schuefler, Kansas City attorney and chairman of the Jackson county Republican committee, has been appointed state insurance superintendent by Governor Donnell. Mr. Schuefler was named for a four year term ending July 1, 1945. He succeeds Superintendent Lucas, Democrat, whose term expired July 1.

Mr. Schuefler has never before held public office, although he has been active in Republican politics in Kansas City for some years. He is 41 years old and had practiced law in Kansas City for 17 years. He is graduate of George Washington University and formerly was of Great Bend, Kan. Mr. Schuefler pronounces his name as though it were spelled "Shoyfler."

He will take office immediately, pending confirmation by the legislature in 1943. The governor's first choice for the insurance post, Alroy C. Phillips, St. Louis, was rejected by the state senate just before it adjourned in July.

Position Highly Regarded

The position of insurance superintendent is regarded as one of the most important appointive ones in the state. It has been ably filled by Superintendent Lucas. Mr. Lucas, a former justice of the state supreme court, was a lawyer whose experience in insurance before assuming the superintendency was limited. However, Mr. Lucas approached his job with a vigorous and realistic attitude, and his fairness and honesty in dealing with state insurance problems has earned him the respect of agents, the public and fellow commissioners. Mr. Lucas some time ago asked Governor Donnell to be relieved of his duties so that he could resume the private practice of law. He has, however, offered to cooperate wholeheartedly with his successor in getting the latter acquainted with some of the problems to which the department currently is devoting attention.

but a thorough realization of their own problems will form a basis for the solution of the public's insurance problems.

The agency system as originated and carried on for so many years is a uniform method of selling insurance to produce the income necessary for the solvency and stability of the business, Mr. Moreton said. Today the insurance agent is an independent business man operating on his own ability, ingenuity and efficiency. While his compensation depends upon volume and production, along with the growth has come a relationship between the agent and company that implies use by the agent of underwriting judgment in binding his principle.

The Pearl case proved to be one of the big topics of discussion at the Montana meeting. Commissioner Holmes devoted his entire message to a review of the facts in the case. In substance, he said:

The legislature adjourned with the recommendation that Pearl not be relicensed. Just prior to the relicensing date of April 1, Pearl brought an action in the U. S. district court to enjoin the department from refusing to license it.

The court ruled that the right of a carrier to do business in Montana is in the nature of a continuing franchise, and where the state had once issued a franchise it could not revoke without first giving the company opportunity to appear and show cause why the license could not be revoked. It issued a temporary restraining order, and the department issued a temporary license.

Commissioner Holmes and Attorney-general Bonner attended the hearing before the New York insurance department on the convention examination report of Pearl. Information secured

(CONTINUED ON PAGE 30)

Action Is Taken on Survey Agency Plan with Differential

Western Underwriters Association Holds Successful Semiannual Meeting

By GEORGE A. WATSON

WHITE SULPHUR SPRINGS — Outstanding among the subjects of the agenda of the Western Underwriters Association was that of survey agencies, on which discussion largely centered both at the initial general session Tuesday and at a subsequent gathering sponsored by the governing committee. The upshot being the adoption of a declaration favoring a five point commission differential as between policy and non-policy writing agents in ordinary territory. While such practice has long been followed in the Eastern Underwriters Association and in Southeastern Underwriters Association jurisdiction, it has never been applied throughout the west.

No action was taken with respect to brokerages save the determination to create an inter-regional conference when the matter could be reviewed from a nation-wide angle; the eventual collaboration of the Pacific Board being counted upon.

Optional Coverage Policy

On and after Nov. 1 it will be permissible to use in Illinois the optional coverage policy in place of the present three standard forms; its use on and after Nov. 1, 1942, being mandatory. The optional form is also recommended for use in Ohio, Nebraska and Iowa. As soon as practical the form will be released for use in additional states.

After fully considering the matter of renewal receipts the governing committee was definitely of the opinion their use in connection with fire and tornado business was inadvisable.

The report dealing with the sale of the Uniform Printing & Supply Company, while eliciting considerable discussion, definite action went over until the Wednesday session, at which the recommendations of the committee handling the matter was approved.

Congratulations to President

Hearty congratulations were accorded President C. H. Smith upon the excellence of his address which was held to be one of the most informative presentations of its kind offered for many years.

Generally the meeting has been of unusual interest, despite the absence of any issue of first importance. Following adjournment of Tuesday's early session the subscribers actuarial committee held its meeting.

LOSS REPORT

J. R. Cashel, Providence Washington, chairman of the committee on cooperation in loss adjustment practices, reported that adjustments are in a quite satisfactory condition in the central west. The committee said that in its opinion the Western Adjustment and Underwriters Adjusting under wise management really created healthy competition and there is no evidence of the situation getting out of control.

The Western Adjustment reports that during the first six months an overall increase of 46,000 losses adjusted compared with the similar period of 1940. Fire losses for the period show a decrease

(CONTINUED ON PAGE 27)

Rochester Reveals Local Board Survey

Details of Setup in State Shown in Answers to Questionnaire

ROCHESTER, N. Y.—Louis Hawes, secretary Underwriters Board of Rochester, has compiled the results of a questionnaire sent by the Rochester board last winter to 21 prominent local boards throughout the country, covering 16 items of local board operations and activities.

Of the 22 boards, including Rochester, 10 embrace fire insurance only, 11 take in all lines except life and one board, New Orleans, covers all lines except life, marine and accident and health. Membership is coextensive with the state and national associations in all boards except Dallas, Detroit, Houston and Milwaukee, although in some cases there are distinctions on this point between classes of membership. Ten boards confine their membership to policy writing agents only. While the others, in some form, include solicitors or brokers.

Commission Control

Only five boards control fire insurance commissions, either between companies and agents or between agents and solicitors. Six boards have some method of control of company appointments of agents, other than the "in and out" rule. In some cases, this is only a limitation of number of agents. An overwhelming majority of the boards, 18, restrict membership entirely to agents representing stock companies charging standard rates exclusively, although in many cities this applies only to fire insurance. Of the four boards which do not have this qualification, the Atlanta board reported that it is impossible on account of a state supreme court decision and the Kansas City board because of the Missouri rating law. The "in and out" rule is followed by 14 boards and only one board, Dallas, reported that it is not enforced rigidly. The legal situation makes it impossible for Atlanta to have this rule.

The Milwaukee and New Orleans boards reported that 100 percent of the local agents are members. The next best showings were St. Louis, with 90 percent of the number of agents and 95 percent of the premium volume, Minneapolis, 99 percent of agents and 90 percent of premiums, San Antonio, 90 percent of both agents and premiums, and Denver, 90 percent of agents and 85 percent of premiums. Portland reported only 15 percent of the agents and gave no estimate of premium volume. Indicating the force of large agencies, Detroit reported only 35 percent of the agents in the board, but 80 percent of premiums and Oakland 10 percent of agents and 80 percent of premiums.

Financial Aspects

There is a great variation in the schedule of dues. The Rochester board asked for the annual minimum and maximum and all boards showed this, except Louisville, which operates strictly on an assessment basis and Buffalo, Milwaukee and Seattle, which charge one-tenth of 1 percent on an agency's premium volume, with no maximum or minimum. The average minimum was about \$25 and the average maximum about \$200. Detroit has the highest maximum, \$600, but a minimum of only \$15. Syracuse has a flat charge of \$15 and Denver has probably the lowest scale, \$12.50 minimum and \$30 maximum. Other high maximums were \$300 in Dallas and \$500 in Los Angeles. Several boards reported special scales for different classes of members.

Initiation fees were reported by 18 of the boards, Kansas City charging \$1,000

Subject of Cartoon



John A. Diemand, president of North America, is presented above as he looks to Cartoonist English of the Philadelphia "Evening Ledger," which published the caricature recently among its series of outstanding Philadelphians.

and Seattle \$10. Louisville, Milwaukee, Minneapolis and St. Paul charge \$500.

Some form of handling municipal, county or school insurance was reported by 11 boards, sometimes by the board itself and sometimes by a designated member or a committee acting as trustees for the other agencies. Only seven boards, Buffalo, Houston, Kansas City, Milwaukee, Minneapolis, Oakland and San Antonio, have a forfeiture fee for fines.

Majority Not Advertisers

The majority of boards have not gone into advertising campaigns as yet, although there is undoubtedly much interest in this activity. Of the boards polled, eight reported some advertising, not always recent. Louisville levies an assessment of 10 cents per \$100 of reported premiums and Houston charges dues for half a year payable over a four to six months period for this work, while the other boards which advertise pay the cost out of the treasury or a general fund.

Educational Programs

A majority of the boards, 14, reported some educational activity, although New Orleans has discontinued the insurance course it had for the past 10 years. Virtually all the boards reporting this work called the results very satisfactory.

Outside speakers were favored by the majority of reporting boards for building attendance at meetings, although this was not unanimous and several boards prefer strictly business sessions. There were a variety of answers to the question of what particular function is regarded as most outstanding toward building the association and making its members feel that membership is absolutely indispensable. Many boards felt that handling public insurance and the "in and out" rule were the most important.

Short Session of Missouri Hearings Is Under Way

Attorney-general McKittrick of Missouri, resumed hearings in Chicago this week on his ouster suit against fire companies. H. A. Clark, vice-president Firemen's, was on the stand. R. D. Hobbs, Manager Western Actuarial Bureau, will go on the last of the week.

This session of the hearings is not expected to run beyond early October due to press of legal business on the attorneys involved.

N. D. Meetings Are in Progress

Federation and Association Meeting at Grand Forks; Strong Program

GRAND FORKS, N. D.—The annual convention of the Insurance Federation of North Dakota and the North Dakota Association of Insurance Agents got under way here Thursday. Clay D. Smith, Fargo, is president of the Federation and J. F. Nichols, Oakes, heads the agents' association.

Inland Marine Prospects

T. A. Valine, Jr., Minneapolis, special agent Phoenix of Hartford, pointed out that prospects for inland marine lines are found in every community, regardless of size. He suggested that accounts can be opened by taking a few parcel post certificate books, walking down the main street, explaining the advantages of parcel post insurance to every merchant and delivering the "goods" on the spot. He told of one instance in which an agent in a small village sold a \$5 certificate book to the local druggist, who within a few months ordered another book and placed with that agent the insurance on his automobile and on his stock.

One of the greatest obstacles in the sale of inland marine lines, Mr. Valine said, is that too many agents think it is confined to large cities. He said that one agent in a Wisconsin town of 600 people wrote \$990 of inland marine premiums in 1940 and has written \$1,339 during this year to-date. There are 37 risks in the volume for this year and the largest single premium is \$77.50. An agent in a small Minnesota town made a list of every client carrying \$1,500 or more in household goods insurance, burglary insurance or special lines such as jewelry and fur floaters and got a list of over 100 prospects for the personal property floater. As a result of systematic, but not high pressure, solicitation of these accounts, this agency increased its premium income over \$2,000 from the same people. He told of another case in which an agent in a small Iowa town had never solicited a personal property floater but, after a bet with Mr. Valine, solicited a local doctor. He was amazed to discover that the doctor owned over \$1,000 in jewelry and another \$1,000 in furs and was very much interested in this contract. The agent got the values and figured the premium, but was afraid to quote it to the doctor. When Mr. Valine returned to the city, he called on the doctor with the agent, and the doctor was delighted with the coverage and never blinked at the \$118 premium.

Improvement in Farm Forms

With the great number of other lines the rural agent has to deal with it is quite possible that he has not kept up with the number of improvements that have been incorporated in farm forms in the last few years. B. R. Walinder, manager farm department America Fore, Chicago, stated. The changes are strikingly evident in a comparison of the three major forms in use since the introduction of the business, the first adopted in 1870, the second discontinued in 1939 and the third, the application in use today, he said.

In the old days, Mr. Walinder asserted, the farmer was still compelled to carry a fair portion of the risk himself. It is important to note that the several changes have been incorporated in the present form without disturbing the rate structure, Mr. Walinder said. Other coverages, such as fire department service charge, extended coverage, and unearned premium insurance have been made available at a price.

The fire department service charge is not so new, but in itself reflects progress. Miles are shrinking and the

Ga. Figures Show Mid-year Status

Herewith is presented a table showing assets and surplus of some of the fire companies on June 30, 1941, as they were filed with the Georgia insurance department. Georgia is the only state in which insurers are required to make public filings at mid-year. The table shows assets and surplus.

Company	Total Assets	Surplus
Automobile	\$ 29,976,352	\$ 9,900,029
Anchor	2,721,318	928,485
Atlas	6,568,644	2,132,037
Atlantic Mut.	1,361,116	425,350
Amer. Indem.	5,165,599	850,000
Amer. Security.	758,349	39,445
American	32,605,785	10,821,297
Amer. Druggist.	2,260,134	1,227,595
Amer. General.	3,784,522	825,770
Amer. & Foreign.	7,024,917	3,804,467
Amer. Equitable.	9,400,781	2,556,776
Amer. Central.	7,256,219	3,174,029
Amer. Auto.	1,955,568	1,318,202
Amer. Alliance.	8,577,513	3,064,754
Alliance	10,716,286	5,930,744
Allstate	1,850,155	464,937
Allemania	5,332,878	2,123,499
Albany	2,811,461	1,129,141
Agricultural	15,549,347	4,543,677
Aetna	58,400,215	7,500,000
Baltimore Amer.	8,711,953	2,145,563
Bankers & Ship.	7,095,347	1,638,833
Berkshire Mut.	1,224,099	257,020
Boston	26,168,828	15,002,202
Birmingham, Pa.	1,521,417	781,234
British General.	1,307,663	323,685
British Amer.	2,660,120	1,581,450
Buffalo	7,095,078	2,219,981
Commercial Fire.	175,704	28,276
Columbia, N. Y.	3,497,864	1,400,973
Columbia, O.	3,056,133	1,336,169
City of N. Y.	5,775,388	974,639
Citizens	3,650,907	2,150,707
Century	4,023,395	1,299,431
Central Mfgs. Mut.	8,308,123	2,982,879
Central	4,190,542	1,758,658
Carolina	2,984,038	965,119
Capital, Calif.	2,417,642	1,028,381
Calvert	8,140,936	1,939,190
California	5,322,568	2,590,200
Caledonia	4,487,029	2,214,493
Cambridge Mut.	919,974	341,152
Coml. Un. Assur.	14,336,670	6,672,734
Coml. Union, N. Y.	2,852,330	762,364
Commonwealth.	2,852,345	474,260
Concordia	4,731,355	1,667,757
Continental	98,334,724	62,712,792
Connecticut	24,406,774	15,137,596
Camden	11,622,438	2,929,884
Dixie	2,164,064	825,582
Eagle, N. Y.	2,488,050	727,624
Eagle Star.	6,454,616	2,472,482
East & West.	3,652,148	1,608,326
Emeco	9,133,242	1,130,809
Empire State	4,867,397	1,545,306
Equitable F. & M.	7,499,875	5,071,960
Export	1,324,086	722,415
Federal Union.	3,365,901	1,198,745
F. & G. Fire.	8,425,656	1,721,863
Federal	23,850,273	12,826,268
Fidelity-Phenix.	76,860,713	49,547,604
Fire Assoc.	25,369,734	9,109,115
Fireman's Fund.	45,797,920	16,495,115
Firemen's	34,822,842	6,708,189
First American.	4,706,701	2,450,083
First National.	1,542,087	332,362
Fitchburg Mut.	719,911	172,232
Franklin	22,190,039	7,417,067
Franklin Natl.	4,440,791	2,547,605
Fulton	1,419,192	419,192
Georgia Home.	3,144,870	846,388
General	17,784,982	5,661,795
General Exchange	18,828,627	8,490,613
Gibraltar	3,944,673	830,911
Girard F. & M.	3,177,635	1,594,211
Glens Falls.	20,475,157	6,234,494
Granite States.	4,532,415	1,546,583
Great Amer.	49,928,048	24,159,071
Grain Dir. Natl.	1,148,568	1,889,237
Globe & Republic	5,550,978	1,274,681
Globe & Rutgers.	12,505,679	4,259,788
Hartford	122,670,078	58,863,190
Home	125,830,520	37,377,271
Home F. & M.	7,967,575	3,336,807
Hardware Mut.	7,607,697	3,035,868
Hdwre. Dir. Mut.	8,862,397	3,459,744
Hanover	16,810,241	4,640,039
Halifax	2,378,168	1,294,898

farmer who has a place five miles out is now practically on the edge of town. The service charge that the departments assess for making a run to the country can now be covered in the regular policy at the basic fire rate applying and such coverage has proved an impressive talking point with the farmer.

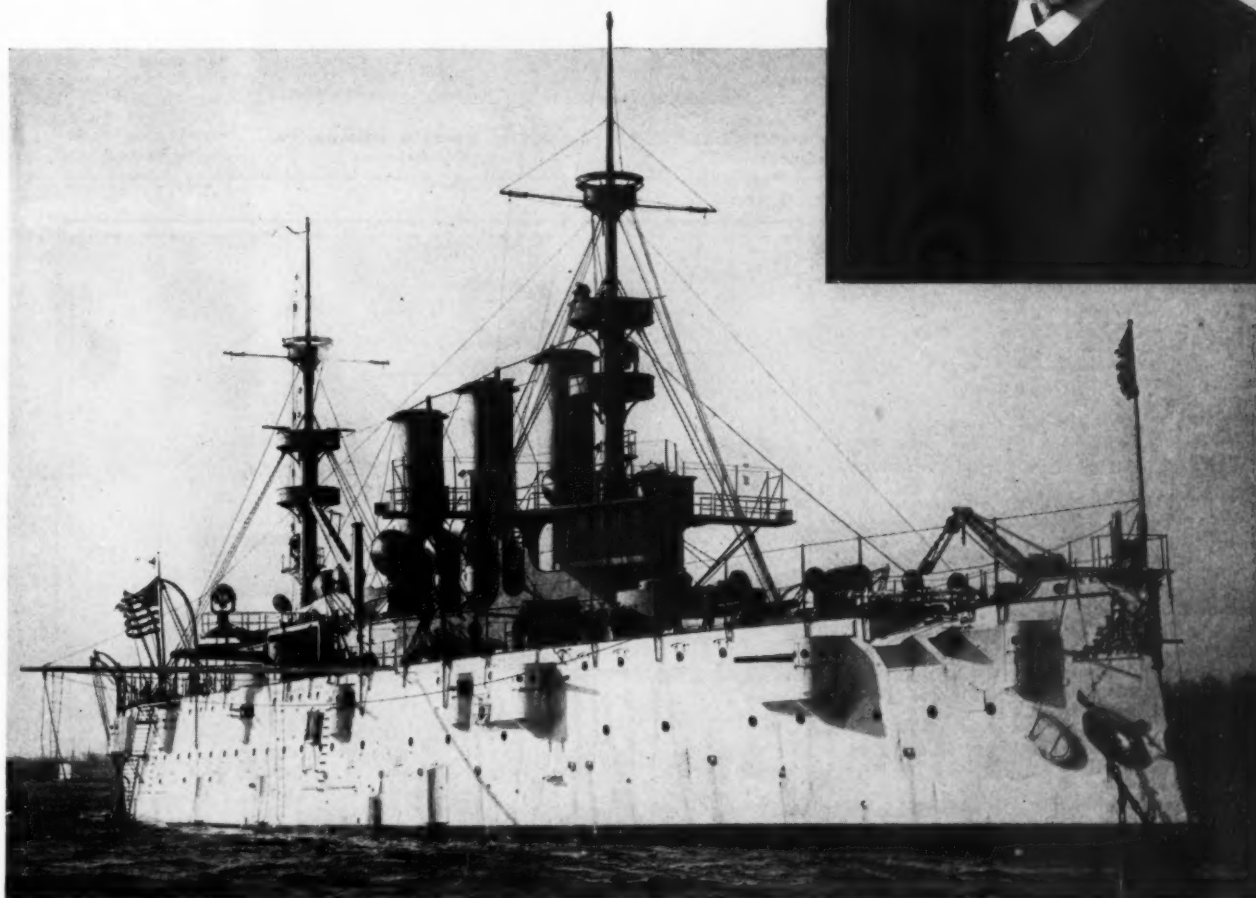
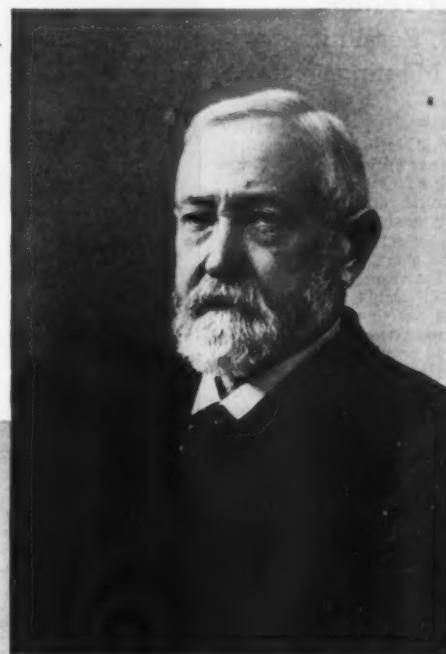
The extended coverage endorsement provides a form of protection not even thought of a few years ago, Mr. Walinder said. Cattle do get hit while on the highways, heating plants do explode and a number of damages have been caused by the explosion of septic tanks.

The agent who fails to include unearned premium insurance in each policy is making a grave mistake, he declared. Everyone has at some time or other had an experience with "loss earned premium" that has not been overly pleasant, and probably required a

(CONTINUED ON PAGE 12)

IN 1891

Benjamin Harrison was president of the United States. He was nominated by the Republican party in 1887 and defeated Grover Cleveland, Democratic candidate. In 1891, the third year of his term, the armored cruiser "New York" was launched at Philadelphia.



The "New York," authorized by Act of Congress in 1888, and of 8,900 tons displacement, was the flagship of Admiral Sampson during the Spanish-American War.

● In 1891 the Queen Insurance Company of America was incorporated in New York State. For fifty years it has been closely identified with the country's industrial development and has made notable contributions to the rebuilding of population centers devastated by conflagrations, windstorms and other disasters.

QUEEN INSURANCE COMPANY OF AMERICA
150 WILLIAM STREET, NEW YORK

More Kansas City Speakers Listed

Three Joint Forums Full B.D.O. Session, Breakfast Meetings

NEW YORK—The Wednesday afternoon session of the National Association of Insurance Agents convention at Kansas City the week of Oct. 13 will be devoted to three concurrent forums. One will cover comprehensive liability, a second will be a post-mortem on a mercantile fire loss, while the third will be split into two discussions, one dealing with commercial blanket bonds and the other with accident and health insurance.

Harold N. Mann, Tacoma, Wash., will be chairman of the comprehensive liability discussion. He will be assisted by E. W. Sawyer, attorney National Bureau, J. H. Egloff, supervisor of agency field service Travelers, and Frank McGee, Kansas City.

Kietzman Fire Loss Chairman

L. E. Kietzman, secretary American of Newark, will lead the mercantile fire loss discussion, assisted by G. W. Lilly, general manager Fire Companies Adjustment Bureau.

W. H. Stewart, Chicago, chairman of the National association's surety committee and one of the country's recognized experts, will lead the fidelity bond session, assisted by E. F. Foster, assistant manager of the fidelity department of Fidelity & Deposit, Edwin S. Nellis, Topeka, and B. E. Rhodes, St. Louis.

W. F. White, superintendent accident and health department Royal Indemnity, will be assisted at the accident and health session by G. W. Carter, Detroit, and Hunter Brown, Pensacola.

B.D.O. at Opening Session

"Stop-watching Your Business," a presentation of the Business Development Office, will be the opening feature Oct. 13. A. I. Wolff, Chicago, former National association president and chairman of the advisory council for the B.D.O., will preside. Fred Westervelt, Jr., assistant director of the B.D.O., F. T. Priest, Wichita, W. E. Harrington, Atlanta, past National president, F. W. Potter, Hartford, field supervisor, Aetna Casualty, and C. C. Day, Oklahoma City, well known life insurance general agent, will be on the program.

There will be a series of breakfast conferences on Oct. 14. Subjects and chairmen will be: accident prevention, A. B. Millard, Grand Rapids; fire prevention, C. W. Schoelzel, Denver; rural agents, A. H. Case, Marion, Kan.; membership, D. A. North, New Haven. These will be held at the Phillips Hotel. Another breakfast conference will take place Oct. 16 on education, under L. P. McCord, Jacksonville, Fla. It will be at the Muehlbach Hotel.

A new fire prevention film, prepared by the fire prevention bureau of the Cincinnati fire department, was shown at a regular monthly meeting of the Cincinnati Fire Underwriters' Association by Marshall L. J. Schraffensberger. J. J. Schiff, of J. J. Schiff & Co., was admitted to membership, qualifying with the sole agency of Birmingham Fire.

Ralph P. Neely associated with the F. Wiley Ball Co. agency, Oklahoma City, has been elected president of the junior chamber of commerce there.

C. E. Dana, Sioux Falls, S. D., special agent Home of N. Y. was married recently to Miss Betty Benjamin of Sioux Falls.

Hundreds of friends and business associates of Arthur M. Brown, head of Edward Brown & Sons General Agency, San Francisco, honored him at a party on his 75th birthday. For several months a huge "birthday cake" in the office has been receiving "candles" from agents and brokers representing business.

HEAD PENNSYLVANIA AGENTS



W. RAY THOMAS, Pittsburgh
State President



FRANK D. MOSS, Harrisburg, Pa.
Secretary-Manager

Gas Shortage Talk Leads to Thefts

NEW YORK—So many motorists have been driving with full gasoline tanks because of the threatened shortage in the east that thefts of gasoline from automobile tanks have jumped sharply, which in turn have resulted in claims under theft policies. Claims have not been numerous but the question has been sufficiently troublesome that a member of the East Loss Executives Association brought it up and the association has bulletined its members to get their views. It will be among the topics discussed at the association's first fall meeting Thursday of this week.

Question on Coverage

Loss men are strongly of the opinion that thefts of gasoline are not covered under the standard theft policy but admit that it might be difficult to prove either side of the case. The decision would hinge largely on the definition of the word "automobile." If gasoline in the car's tank were held not to be an integral part of the automobile thefts would not be covered any more than would the theft of suitcase that was being carried in the car.



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Outside Companies in Mich. Adopt Bureau Rates

LANSING, MICH.—Six leading mutual and stock automobile carriers domiciled in Michigan, it was disclosed here, have agreed to adopt the same collision rate schedule as the "conference" stock companies.

The action follows discussion of the rate situation at a meeting here a week ago attended by representatives of nearly two-score stock and mutual carriers with a large volume of auto business in Michigan. The majority of those present agreed at that time that it would be best to "go along" with the conference companies in increasing collision rates. The new conference schedule, made effective as of Sept. 1, boosts collision rates from 20 to 25 percent and applies to deductible forms now being written almost exclusively since the Michigan department outlawed the convertible or "50-50" form.

A spokesman for the carriers which have now taken definite rate action declined to name the parties to the agree-

ment because he said at least one carrier would not be able to adopt the new rate schedule for a few weeks, having just issued a new manual before the conference announced its new rates. He said, however, that the group did not include the Detroit Automobile Inter-Insurance exchange, largest automobile writer in the state. He said the carriers involved felt that they must take quick action to avoid picking up undesirable risks diverted to them by the conference rate boost.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

Thompson Again Heads the Minneapolis Board

MINNEAPOLIS—The Minneapolis Underwriters Association elected the following directors: G. A. Thompson, Lewis-Thompson agency; G. W. Nelson, Wood-Nelson Co., and Roy F. Miller, Central National Agency. The first two were reelected. The directors will meet next week to elect the officers of the board.

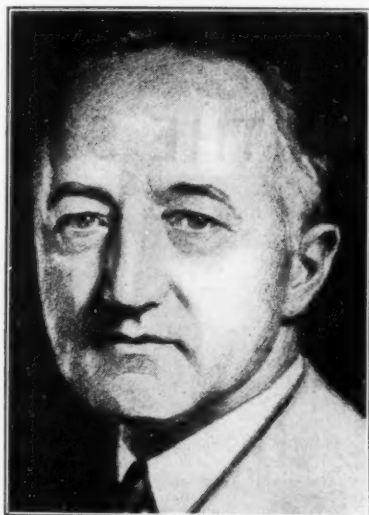
In his annual message, President Thompson recommended that the board

take under advisement a proposal that it assume jurisdiction over casualty and surety business as well as fire. The board has approved a joint advertising campaign in Minneapolis papers. A pedestrian control program also has been agreed upon.

Milton W. Mays, BDO director, New York City, was the speaker.

J. C. Nippolt, state agent of Aetna Fire in North Dakota, who has been confined to a Fargo hospital for the past three weeks, as result of a gall-bladder operation, is much improved and returned to his home.

30-Year Man



THOMAS T. NORTH

Thomas T. North, head of the Thomas T. North Adjustment Company of Chicago, will this week complete 30 years as an adjuster. At his 30th anniversary, Mr. North is the active manager of an adjusting organization that is nation wide in its scope, handling losses on risks in all parts of the country. Outside of business "Tom" North devotes himself to outdoor sports. He is an experienced hunter, fisherman and dog fancier.

Mr. North began adjusting work in Chicago in a modest and inconspicuous way. He saw the need for an automobile loss specialist. At that time, no one in Chicago was giving particular attention to the handling of automobile claims. Recognizing the rapidly increasing use of the automobile, Mr. North concluded that there was a real place for an adjuster who would specialize on and familiarize himself with all phases of automobile loss adjustments. He was, in fact, the first to set himself up as an adjuster specializing in automobile losses.

His work soon attracted attention, and within a few years he was handling automobile loss work for a number of important companies and agencies. He continued as an automobile loss specialist for some time, but later felt that his organization might function in a less restricted field. He began building up an adjusting staff capable of handling all types of claims, and today his office is recognized as one of the representative, responsible loss organizations of the country.



It's the Combination!

It isn't only a question of which horse is better trained or has more stamina.

It isn't only a question of which jockey has the longest record of wins.

It's the combination! Even though it isn't usually headlined in the papers, trackmen recognize the great importance of teamwork... how well the jockey and the horse work together.

True in our business too— isn't it? A good agent and a good company that gives real cooperation make a happy and profitable combination.

Here in Watertown we try to be good

teammates. We don't like red tape any better than you do. With a real understanding of your local problems, we try to do things in a way that's most helpful to agents. Perhaps, that's why so many people call us 'Friendly Folks'.

Someday, you may want a company that truly supports the American Agency System... to fill out that happy, profitable combination in your office. When that day comes, we want you to think about us. So that you can have at least part of the story in advance, won't you let us send a fieldman to call... at YOUR convenience?

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of Watertown, N.Y.

Every Type of Property Insurance for Industry and the Home.

Photo by EDDY'S STUDIO, Southern Pines, N. C.

NEWS OF FIELD MEN

Albany Service Office Is Opened; Streets in Charge

An Albany, N. Y., service office was opened by Phoenix of London group at 462 Broadway, to provide complete fire and casualty facilities to agents. William Streets supervises the office. He went with the group in 1925 as central New York special agent. Mr. Streets entered the insurance business in 1913 and spent the first three years in a local agency. Later he gained several years of valuable rating and engineering experience with the New York Fire Insurance Rating Organization. He has been special agent of National Union and Automobile of Hartford.

Mr. Streets will be assisted by Carl G. Nesbitt, a graduate of Brown University. In 1938 he went with Phoenix, completing the training course and having five months' field experience in Kansas. He is a tennis player of note, being perennial singles champion of the New York Insurance League.

Hubbell Takes Over Globe & Rutgers in Indiana Field

Following resignation of D. D. Hobbs as Indiana state agent for Globe & Rutgers and American Home, supervision of the field has been delegated to R. M. Hubbell, who will represent the two New York companies in addition to State of Pennsylvania, for which he has been Indiana state agent for some time. He will continue to maintain headquarters in Indianapolis.

Louisiana Pond Holds Party

Golf, horse shoe pitching, eating and indoor sports, marked the annual party of the Louisiana Blue Goose held at Lakewood Country Club, New Orleans. Nearly one hundred attended, including a number of local agents. In the golf tournament the winners were: Horace Herrin, Buffalo, low net; Norman Calloway, Firemen's, low gross; guest flight, Geo. Wegmann, low gross; Walter Lafayette, W. J. Marbury and H. T. Jones, tied for low net. Mr. Wegmann, won hole in one contest and William Nance, long drive. The committee in charge included: Prioleau Ellis, chairman; Frank Malone, Norman Calloway, Tom Marlowe and Alvin Shepherd. At the dinner and floor show Gander Shepherd was master of ceremonies.

Cleveland Field Club Hears Lutz

CLEVELAND—At the Cleveland Field Club's first meeting of the fall season a record crowd heard Chalmer F. Lutz, president Cleveland chapter, Chartered Life Underwriters, spoke on the development and need of personal in salesmanship.

The field club conferred an honorary life membership on D. M. Hosford, retired veteran of the Ohio Inspection Bureau.

President Frank J. Weber, Firemen's, appointed a new public relations committee composed of William Rardin, Agricultural, and Frank Gibbs, Atlas.

Named Sun Group Special Agent

Lester Bennett has been appointed special agent of the Sun group in eastern New England. His headquarters will be at Boston.

N. J. Field Club Meets Sept. 22

The New Jersey Field Club will start its fall and winter activities at a dinner in Newark Sept. 22. H. K. Schaffler, assistant manager National Board, will discuss up-to-date building codes. Two new members will be admitted, D. F. Walker, Eagle Star, and A. A. Wolff, New Brunswick Fire. President W. R. Carlson will preside.

Important Changes Made by Globe & Rutgers

Effective Oct. 1 R. K. Johnson will be transferred from the Illinois State Agency of the Globe & Rutgers to a like connection for the company in Minnesota, in succession to the L. M. Linnell General Agency of Minnesota. He will be succeeded as Illinois state agent, outside of Cook County, which will continue under the management of S. T. Johnson, by Assistant Secretary J. N. Brushingham, who desired to return to field work.

Correction on Kansas Shift

An incorrect impression was gained from the report in the issue of Sept. 4 that V. B. Steenrod, special agent in Kansas for North America, was being transferred to Topeka to supervise northeast Kansas.

On Sept. 15, Mr. Steenrod opened an office in Topeka from where he will supervise northern Kansas for all the North America group.

R. B. Lathan, state agent, will continue in Wichita with supervision over the southern Kansas field for the entire group. This divides the state between the two men.

L. & L. Names Three State Agents

F. Donald Johnston and Perry G. Dawson have been appointed state agents for the London & Lancashire group in Ohio. Mr. Johnston, who has been special agent in Ohio, will have jurisdiction over the western part of the state and be located at Dayton. Mr. Dawson, who had been state agent in Oklahoma and prior to that special agent in Ohio, will handle the eastern portion of the state, with headquarters at Canton.

John E. Wilkinson, special agent in Oklahoma, has been promoted to state agent there.

New Grandfathers Congratulated

Two members of Kansas Blue Goose have become grandfathers. N. K. Nelson, state agent Great American, made his announcement at the first fall luncheon, and at the second luncheon L. L. Gaines, state agent Commercial Union, followed suit. R. E. Hauch, most loyal gander, reported on proposed activities for the year. Ed. McDermott, Home, was selected to head the bowling committee in charge of the Blue Goose league to bowl Saturday afternoons starting Oct. 4. This is the fourth year of the league, which consists of four teams.

Toussaint in Iowa Field

Morris Toussaint, for 14 years in the home office of St. Paul Fire & Marine, has been appointed special agent in Des Moines to succeed T. E. McDonnell, who will be inducted into military service Oct. 1.

Bennett in New England Field

Lester Bennett has been appointed special agent in eastern New England for Sun. He has been at the head office for the past 10 years. His office is at 55 Kilby street, Boston.

Alamo Blue Goose Gathering

The Alamo Blue Goose, San Antonio, heard a report from G. L. Henry, past most loyal gander, on the grand nest meeting. He spoke of charities which some ponds are supporting.

Nebraska Inspection School

OMAHA—The third annual inspection school of the Nebraska State Fire Prevention Association will be held here the afternoon of Sept. 29.

Participating in the program will be R. M. Byrne, state agent Eagle Star; W. P. Blinn, Nebraska Inspection Bureau; R.

Hint Drastic Tax Action in Okla.

OKLAHOMA CITY—Some of the life insurance general agents recently have been given to understand by their companies that they will not indefinitely continue to operate under the 4 percent premium tax that was enacted by the last legislature. This tax was put through in a surprise move, apparently due to gubernatorial influence. Next to Texas, it is the highest premium tax in the country, and some of the insurance companies have hinted that unless the burden is removed at the next meeting of the legislature, they will vacate the state.

E. Johnson, state agent New York Underwriters; Fred H. Sabin, state agent American of Newark; Chief Olson of the Omaha fire department, and John Giff, Omaha city electrician.

Sunflower Puddle Names Price

C. W. Price, Kansas Inspection Bureau, was named "bouncer" of the Sunflower Puddle of Blue Goose to fill the vacancy caused by transfer of V. B. Steenrod, North America, to Topeka. A luncheon meeting was held, W. S. Gib-

bons, St. Paul, presiding in the absence of DeVonn Quinn, Kansas Underwriters, big toad.

Johnson Named in Oregon

Melvin J. Johnson was appointed Oregon special agent of New York Underwriters. He formerly was with Continental at Portland. He will be associated with Paul F. Harrington, special agent, with supervision over Washington and Oregon.

Wisconsin Nest Kicks Off

MILWAUKEE—The first stag session of the new season will be held by the Wisconsin nest of the Blue Goose Sept. 20 in the organization's own club rooms here.

Baldwin Goes with Home

Rex G. Baldwin has resigned from the Ohio Inspection Bureau to join the staff of the Home in Columbus as an engineer.

Premium Finance Not Affected

Discussing insurance premium financing before Iowa Blue Goose in Des Moines, Willis Van Pelt, First Banc-credit, St. Paul, reported the government's credit order would have no effect

GUARDIANS OF THE SEA



BOSTON LIGHT, BOSTON HARBOR

AT the entrance to Boston Harbor, in the year 1716, the first lighthouse in America was built. First keeper of the Light, and thus the first lighthouse keeper in the country, was drowned with his wife and daughter in 1718—an incident which was the origin of a ballad, "The Lighthouse Tragedy," by Benjamin Franklin, then a boy of 13. The addition of a cannon in 1719 furnished the earliest fog signal in the country, and although long out of service, it can still be seen at Boston Light Station. Boston Light was partially destroyed in 1775 by a party of Americans, and after reconstruction attempts were made by the British, an Ameri-

can expedition again destroyed the work in progress. It is believed that the British later restored and maintained the Light, but when the fleet evacuated Boston in 1776 they left a train of gunpowder which blew up the tower. Following the Revolution another lighthouse was built on the same site, which, with various alterations, is the present Boston Light.

Appleton & Cox, Inc., marine insurance underwriters since 1872, is thoroughly equipped with nation-wide facilities and a highly trained staff of specialists, ready to help you solve all ocean and inland marine problems.

Appleton & Cox
INCORPORATED
OCEAN AND INLAND MARINE UNDERWRITERS
111 John Street, New York
BRANCHES IN PRINCIPAL CITIES

on the company's budget plan for premiums. He said the government ruled the plan did not extend credit to the insured and therefore could not be construed to come under the limited credit order. Walter Peterson, agent of Red Oak, Ia., attended.

Byrnes Assigned to Minneapolis

Edward Byrnes has assumed his duties as special agent in Minneapolis for the Springfield Fire & Marine, succeeding L. A. McIntyre, transferred to the improved risk department at Chicago.

Des Moines Auxiliary Meets

The Des Moines ladies of Blue Goose elected Mrs. W. E. Nordell, president; Mrs. C. D. Wherry, vice-president, and Mrs. W. H. Harrison, secretary-treasurer. The first fall bridge luncheon was held with Mrs. A. A. Ingram as chairman of the hostess committee.

Ohio Bodies to Meet

The Ohio Stock Fire Insurance Speakers Association will hold its first meeting of the fall in Columbus Monday. The Fire Prevention Association will be in charge of the program. D. P. Hague-Rogers is president of the Speakers Association.

Fire Companies Adjustment Bureau has transferred H. L. Porter from the New Orleans to Texarkana, and P. H. Bowen from Texarkana to New Orleans.

Robert W. Shinolt, staff adjuster for Fire Companies Adjustment Bureau, has joined the Home group in Seattle.

Allen Remains as Vermont President, Mason Retires

NEW OFFICERS ELECTED

President—H. A. Allen, Burlington.
Vice-president—Will Drew, Barre.
Secretary-treasurer—E. S. Pike, Rutland.

Executive Committee—Chairman, E. G. Welchman, Woodstock; W. C. Lawrence, Springfield; C. Cameron, White River Junction; A. W. Hawkins, St. Johnsbury; Preston Hadley, Bellows Falls; Charles Taylor, Bradford.

Legislative Committee—Chairman, F. S. Reed, St. Johnsbury; I. M. Boardman, Burlington; T. C. Cheney, Morrisville; I. J. Davis, White River Junction; Ralph Gates, Brattleboro; George Kent, Barre; T. F. Leary, Burlington; C. F. Thurber, Fairlee; J. E. Weeks, Middlebury.

WOODSTOCK, VT.—H. A. Allen, Burlington, was reelected president of the Vermont Association of Insurance Agents at the annual convention here. Will Drew, Barre, was chosen vice-president, succeeding G. W. Buck, Bennington. A. C. Mason, Rutland, who has served the Vermont association as an officer for over 20 years, retired at his repeated request and was replaced as secretary-treasurer by E. S. Pike, Rutland.

The largest crowd the Vermont association has ever had at a convention heard the reports of President Allen, Secretary Mason and H. F. Shea, Montpelier, chairman executive committee. T. A. Fleming, New York, National Board, gave an outstanding address on the 75 years of service of his organization.

R. T. Cole, Vermont commissioner of banking and insurance and H. W. Hatch, New Britain, Ct., chairman New England Advisory Board, were featured at the banquet. Governor W. H. Wills of Vermont, a past president of the Vermont association, presented Mr. Mason with a valuable frame of stamps in honor of his long service. Mr. Ma-

son is a noted stamp collector.

The banquet was preceded by a cocktail party given by the company representatives. In the morning about 50 took part in a golf tournament. R. L. Goodale won the special agents prize and local agents prizes were captured by Arthur Hawkinson, St. Johnsbury, Charles Cheaney, Rutland, M. E. Walbridge, and P. E. Kisker.

Hubbard's Address

Insurance is faced with tremendous adjustments in the future and they can only be met if challenged with open-mindedness, adherence to principle and courage, Clarence T. Hubbard, secretary Automobile of Hartford, declared in a talk. The methods of solving these problems are the externals, he said, whereas the motives are the fundamentals. If the changes are not founded in the spirit of brotherly and faithful cooperation between agent and company and buyer with just and proper reward to each, they will fail. No amount of planning or proposal of program can succeed unless the pursuit is based on pure motives.

Looking ahead, he felt the many trends of insurance could be detected and weaknesses found and overcome through constructive programs of research, public relations, cooperation and intelligent

planning. Mr. Hubbard saw a trend of continued receding rates due to price consciousness on the part of the public through chain store merchandising and other cut-rate activity plus increased competition for the dollar by means of high pressure advertising, as well as reduced dollars by taxes. Likewise, he saw expenses continuing to rise and eventually loss ratios as well, all of which could only be offset by further efficiency. This, he felt, could be achieved possibly through the consolidations of companies and agencies and better merchandising. He eventually foresaw fewer but better informed agents and brokers.

T. Alfred Fleming, director of conservation of the National Board, told the agents that, from its inception in 1866 to the present time, the National Board has been associated with every forward movement in the development of insurance. He said that 75 years ago there were plenty of insurance companies, but the idea was every one for himself and personal interest was the sole motive. With the organization of the National Board, the personal interests became public as 75 companies agreed to pool their interests in order to develop a better background for public welfare. Some of the aims outlined at the first meeting were later found to be unfeasible to the public

service development, therefore, were eliminated.

Sioux City Board Elects

SIoux CITY, IA.—The Fire & Casualty Underwriters Association have elected the following officers for the ensuing year: President, J. P. O'Connell of the Lynch agency; vice-president, R. H. Auman, Groszkruger agency; secretary-treasurer, J. Watt Wooldridge, chairman of the executive committee, Gilbert Guiney, Peters-Guiney agency. In the last week of August the local association put on a drive outside the city and obtained twelve members for the Iowa association to put that group over the top in its drive for "500 for Forshay."

Six members of the staff of the Fire Insurance Rating Bureau in Milwaukee have been called to service. Lt. George Wiskomin is attached to the quartermaster department of the 6th Corps Area in Chicago. R. C. Raisbeck is with the navy intelligence department. Donald Haines is in the air corps. Also serving in the army are John Macauley, Robert Zorn and George Goetz.

The Casualty & Surety Underwriters Association of Kansas City will hold its first session of the fall on Sept. 26.

STANDARD INSURANCE COMPANY OF NEW YORK

STATEMENT—JUNE 30, 1941

Capital	\$1,500,000.00
Premium Reserve	3,590,000.00
Other Liabilities	542,705.45
Surplus to Policyholders	4,203,943.29
*Total Assets	\$8,336,648.74

*New York Insurance Department Valuation Basis.

Securities carried at \$245,465.99 in the above statement are deposited in various States as required by law.

On the basis of December 31, 1940, Market Quotations for all bonds and stocks owned, this Company's total Admitted Assets would be \$8,451,263.86 and the Surplus to Policyholders \$4,318,558.41.

Geo. Z. Day, President

A. J. Couch, Vice-President

S. C. Kline, Secretary

"TWO STANDARDS" OF THE AETNA FIRE GROUP

An unusual combination of financial strength
Community of interests and practical cooperation with agents

Standard Surety & Casualty Company of New York

STATEMENT—JUNE 30, 1941

Capital	\$1,000,000.00
Claims and Claim Expense Reserve	1,965,364.57
Premium Reserve	1,596,837.84
Other Liabilities	311,400.93
Surplus to Policyholders	2,251,326.08
*Total Assets	\$6,124,929.42

*New York Insurance Department Valuation Basis.

On the basis of June 30, 1941, market quotations for all Bonds and Stocks owned the Total Admitted Assets would be increased to \$6,252,182.52 and Surplus to Policyholders would be \$2,378,579.18.

New York Offices: 80 John St.

Geo. Z. Day, President

Chas. E. Heath, Vice-President

Fred J. Theen, Asst. Secretary

Insurance Exchange, Chicago

A. J. Couch, Resident Vice-President

Dutch Ship Loss Will Be Heavy

"Kota Napon" Sinking May Cost Underwriters More Than \$1,000,000

NEW YORK—War risk losses underwritten in the American market on the cargo of the Netherlands ship "Kota Napon," believed sunk by a Nazi raider in the Pacific will run considerably more than \$1,000,000 and perhaps as high as \$2,000,000 when all the figures are in. It is the heaviest loss the American war risk cargo market has sustained since the sinking of the steamer "Petalli" in Piraeus harbor at the height of the Greek campaign.

Two other freighters from the Netherlands East Indies, also carrying large cargoes insured by American underwriters, are also overdue. The cargo insured on the "Kota Napon" was, it is understood, mainly rubber and tin from the Netherlands East Indies and scheduled for delivery to eastern United States ports via the Panama Canal.

In spite of the "shoot on sight" order of President Roosevelt, American underwriters have not changed their rates. Though the risk on American flag vessels is gradually approaching that of the belligerent flag steamers, the underwriters are awaiting further developments. For one thing, the neutrality act still forbids American ships going to England so it remains to be seen how far the German government will go in attacking American shipping not only in the most dangerous areas like the North Atlantic but elsewhere as well.

Arming of American merchantmen would have a decided effect on the war risk hazard and seems more imminent now than at any time during the recent months during which the possibility has been discussed.

Chicago Warehouse Burns with \$400,000 Loss

Damage is estimated at \$400,000 from a fire which gutted a Chicago warehouse owned by the Michigan Central Ry. Adjusters report the 90x460 foot building three-fourths destroyed.

The figures on the coverage are not yet available, but it is suspected, because of railroad ownership, that a good part was self-insured. The building is used also by Universal Carloading Co. and served as a transfer station between the railroad and motor trucks. At the time it was filled with miscellaneous freight and the contents loss was practically total.

The fire was exceptionally smoky and considerable smoke damage is reported done to a skyscraper next door and other nearby buildings. A number of windows in the skyscraper were broken by the heat.

S. Dakota Association Opens Year

The South Dakota Fire Underwriters Association held its first meeting of the season at Huron. Burt Burton, state agent Home of N. Y., retired as secretary-treasurer. L. G. Spies, state agent North America, was appointed to fill the vacancy.

Fire Chief War Weapon Now

Civil fire defense greatly concerns east coast states, but mid-western states seem entirely indifferent to the situation and Pacific Coast states are luke-warm. Percy Bugbee, secretary-manager National Fire Protection Association, told San Francisco Blue Goose members. He discussed the "fire defense for national defense" program of N.F.P.A. and National Board, cooperating with government agencies. The real weapon in the war is fire, he said, and it is aimed primarily at civilians. He was introduced by F. H. Wentworth, retired secretary-manager N.F.P.A., who now resides

New Angles Under Army and Navy Cost Plus Insurance Plans

The navy cost plus insurance plan, which has recently been announced for contracts where premiums amount to \$5,000 or more, follows the army plan, in most important details. However, the navy plan pays less to the adviser on large risks than does the army plan. On army contracts there is a reducing scale of fees, but for premiums of \$1,000,000 or more the fees remain level at 1 percent. In the navy plan, the fee is one-half of one percent on the bracket from \$500,000 to \$1,000,000 and one-quarter of one percent on the portion of the premium above \$1,000,000.

Some cases under the army plan have indicated that the provision governing eligibility of advisers is not clearly understood by army officers in charge of projects. For example, a colonel in charge recently refused to permit a designated adviser's appointment on the ground that he owned a substantial interest in the local agency of the company writing the risk. There is nothing in the army plan rules to bar an agent acting as adviser in such circumstances. However, the rules do specify that the adviser may not be employed by or be paid any remuneration whatsoever by any insurance carrier or benefit directly or indirectly in connection with the insurance on the project. A possible explanation is that the officer in charge misunderstood the term "employed by," and regarded the agency as an employee of the insurance company and not as an independent contractor, as is actually the case.

south of San Francisco. A guest was Chief William Blaisdell of the Honolulu, T. H., fire department.

Central Mutual Casualty Change

KANSAS CITY—Jack L. Cottrell, assistant secretary in charge of claims, Central Mutual Casualty, has resigned, effective Oct. 15, to go with Franklin Life, at its home office, Springfield, Ill. He has been with the casualty company since 1929. L. S. Ely, attorney who has been in the claim department of the Kansas City Public Service Co., succeeds Mr. Cottrell.

Conkling, Price Meetings Open

J. C. O'Connor, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, discussed insurance surveys at the opening production meeting of Conkling, Price & Webb, Chicago, this week. Meetings will be held every two weeks during the year and will feature sales subjects and the methods of successful men.

W. E. Quinby, special agent of the organization, who originated the meetings last year is again in charge of the program. Brokers located outside the office are invited to the meetings, as well as employees of the organization and brokers housed in Conkling, Price & Webb office.

Norwich Union N. Y. Move

Norwich Union is moving the brokerage and service departments together with the suburban underwriting department from 75 Maiden Lane to 85 John street, where they will be housed with the metropolitan department. The latter quarters have been enlarged. Fred W. Mezey is superintendent of the metropolitan department, and Joseph F. Kett superintendent of the brokerage and service department.

To Prepare Maryland Program

A meeting of the directors and the general convention committee of the Maryland Association of Insurance Agents was held Monday to prepare the final program for the annual convention at Cumberland, Oct. 23-25.

President Guy T. Warfield, Jr., pre-

sided at the meeting in spite of his handicap of having both arms in slings. Mr. Warfield broke both arms sliding home in a baseball game at the outing of the Baltimore and Washington offices of the Aetna.

Pearl Case in Montana

HELENA, MONT.—Regarding the Pearl case in Montana, District Judge Padbury has just announced that when all briefs had been filed he would take under advisement the petition of the Pearl for a writ of prohibition to prevent revocation of its license.

Award Gildersleeve Prize

Joseph J. Magrath of Chubb & Son, chairman of the Insurance Society of New York's committee on prizes, has announced that the William E. Gildersleeve prize for 1941 has been awarded to Allen J. Hinkelman of Sterling Offices, Ltd. Basis of the award is outstanding personality and character.

Unpaid Earned Premiums

Fire companies operating in New York City reported \$11,165 of unpaid earned premiums for April, 1941, \$1,387 less than in the same month of 1940. Figures for casualty companies were

\$49,354, \$792 less. Total for both classes was \$60,520, \$2,197 less.

The number of "first" letters to companies by the Central Bureau decreased substantially, second letters increased slightly.

Arthur J. McKinley, 72, Cleveland, general agent for several companies prior to his retirement in 1939, died following a long illness.

Mr. McKinley was treasurer for Roy Buck, Inc., general insurance agents, and for a time was manager of the Cleveland office of Security Life. Later he opened his own agency.

Pa. Agents Reelect All Officers at Annual Parley

(CONTINUED FROM PAGE 1)

department has not approved the medical reimbursement plan provided by the casualty companies in connection with automobile liability insurance for the reason that it has been held to be accident insurance for which specific application must be made in writing, it was



X marks the SPOT

where payroll robbery insurance was needed. An item in the daily paper describing a hold-up must necessarily interest other concerns in the neighborhood, and often brings about the thought that "this might have happened to me!"

Phoenix-London agents make the most of such opportunities to sell hold-up insurance. Many agents materially increase their business in this manner—a two-fold increase, since these new assureds are open to solicitation for other forms of Phoenix-London coverages.

PHOENIX-LONDON Group

55 FIFTH AVENUE,
Phoenix Assurance Co., Ltd.
Imperial Assurance Company
Columbia Insurance Company
United Firemen's Insurance Co.



NEW YORK CITY
The Union Marine & General
Insurance Co., Ltd.
London Guarantee & Accident
Co., Ltd.
Phoenix Indemnity Company

resolved to urge the department to approve this type of insurance for use in Pennsylvania.

H. D. Wolff, Easton, was chairman of the resolutions committee. Other members were J. W. Barr, Oil City; K. H. Bair, Greensburg; A. S. Gallani, Wilkes-Barre; John B. Ladley, Pittsburgh; Quincy A. McBride, Newcastle, and Joseph Nederlander, South Forks.

A strong program of talks, educational and informative, was presented at the convention.

H. C. CONICK'S ADDRESS

H. C. Conick of New York City, assistant U. S. manager Royal-Liverpool groups, in his talk stated that in these troublous times faith and foresight as never before are needed. When one has faith in his company and business he is beset with responsibility. He finds that complacency is one of the faults of the insurance business. It has created a sense of security and self satisfaction. New movement of an economic, social and political nature, new demands require new viewpoints. Insurance must raise its sights.

Prior to 1895 there was no automobile insurance and yet today it is one of the major sources of income. Some years ago there was a loud complaint from insurance buyers who had property at a number of locations throughout the country that their insurance needs were not properly looked after. The result was the establishment of the Interstate Underwriters Board. Later came the demand for protection against loss from a number of perils. The extended cover endorsement added to the fire policy affords protection against 10 perils.

Must Do More Than Look

Mr. Conick said: "We must think, analyze, learn, act and above all we must serve. We need to have a thorough knowledge of our job. It is not an easy task. There are about 300 different contracts in property insurance and 100 in casualty and surety. To know his job the agent must know the insurance needs of his customers. Speaking further Mr. Conick said:

"The protection afforded by insurance, and the services of those who carry on its activities, are an essential of the fabric of business at all times—in prosperity or depression, in peace times or war times. Insurance, like any other essential, however, cannot escape criticism and obstructive influences, and if its ideals and true purposes are diluted by non-essentials and self-interest, if the economy of its operations can be successfully challenged, if the competence and service of those engaged in the business are questionable and open to doubt, or if its public service is perfunctory or distorted, then the business will suffer. It seems to me that it is your job and mine—in fact, the true job of everyone who makes insurance his profession—to have the vision and courage to do everything possible to place the business upon such a high plane that it cannot be successfully attacked, and thus thwart those obstructive influences which may from time to time be brought to bear."

At the local board conference Monday morning individual problems of the various boards were discussed and members exchanged ideas regarding their solution. Walter B. Wilson, Lewistown, presided.

"The trend of the casualty business today indicates progressive action and an opened minded attitude," Robert I. Catlin, vice-president Aetna Casualty, said. In the period from 1910 to 1930 more attention was paid to the increase in premiums and commissions and to the improvement of sales methods. Now it is necessary to anticipate not only the needs but also the demands of the insurance buyer, he said.

One trend in the casualty field is the greater assurance which comes in the fire line from extended coverage, in the marine line from the personal property floater and in the casualty field from the

comprehensive liability policy.

These broader coverages simplify the purchasing of insurance for the buyer, and the protection they afford leave him with fewer worries. For the carriers they provide a broader basis of experience. The comprehensive liability policy makes it harder for the producer because he must make a survey and analysis of the needs of the buyer, but it enables him to meet mutual competition. The producer has a true means of contact, first when he introduces the buyer in the broader forms of protection and secondly when he lays his recommendation before him.

Mr. Catlin deplored the fact that there is a tendency to steer clear of the cost of the coverage. Here is a necessity for coordination between carriers and producers. Too often the extent of liability assumed has not been realized and the proper premium has not been paid.

One effect the broadening of coverages has had is to lower the rates and accordingly widened the circle of buyers.

Today many of the companies have tightened up on their underwriting with the results that questionable risks have been thrown on the market, Mr. Catlin stated. Sound underwriting contemplates close coordination between producers and carriers, and an agent is in

a better position to analyze the good and the bad points of a risk than underwriters many miles away.

While companies are to a certain extent responsible for indiscriminate appointments of agents, Thomas G. Redden, Greensboro, N. C., and member of the executive committee of the National Association of Insurance Agents, strongly emphasized the fact that agents themselves can have a lot to say about this problem. A strong and adequate organization, he said, is a prerequisite to control of wholesale agency appointments. Where strong organization does exist, the problem is not a real one. This is shown by actual experience.

Mr. Redden also dealt with proper equalization of taxes by stock and non-stock companies, production branch office survey, countersignature agreement, gradation of company expenses and agency commissions and agency costs survey, and education.

Smith Stresses Fire Needs

The critical need for more adequate fire protection in American communities was emphasized by Richard Lee Smith of Logue Bros. & Co. agency, Pittsburgh, and chairman of the association's fire prevention committee. Pointing out that bombers constantly are being developed which will travel

greater and greater distances, he said that a line drawn from Boston to Wilmington and Pittsburgh and back to Boston again forms a triangle containing over 60 percent of U. S. industries.

Many fire departments in various American communities are undermanned and seriously in need of apparatus and equipment of all kinds to meet normal conditions. The need in the drive for "National Defense through Fire Defense" is for fire protection adequate to meet the needs for "that which might occur." He expressed the belief that if England had not foreseen the need for an all out fire protection setup before the vast wave of blitz bombers came over the English channel, the battle of Britain would now be over.

Mr. Smith strongly urged agents to aid in securing passage of the "suggested fire prevention ordinance" of the National Board in their community. The thing to do is to find out what the local community needs in the way of fire fighting man-power and equipment, determine the cost, and present a definite estimate to the state council of defense, which in turn can place it in the hands of the national defense group with demands for prompt attention.

Although Pennsylvania agents still are of the opinion that correcting certain abuses in the fire business by legis-



FIRE DEFENSE IS NATIONAL DEFENSE

IN TIMES of danger a fire loss to the citizen is a defense loss to the nation. Insurance seeks by engineering methods to prevent that loss; by the reserves it holds in trust to soften that loss * * * The American agent is a very potent factor in such a system. Why? Because it is only through his ability to fit the protection of insurance to the needs of his neighbors that insurance can successfully function * * * The agent makes FIRE defense become NATIONAL defense * * *



The Old Man on the Fence—trademark of this company since 1879



OHIO FARMERS INSURANCE COMPANY

Chartered 1848, LeRoy, Ohio

MEMBER • THE NATIONAL BOARD OF FIRE UNDERWRITERS

C. D. McVay
PRESIDENT

... Through the American Agent - we Serve!

lation is not a wise course, President W. Ray Thomas drew attention to the fact that the abuses and evils sought to be improved are still in existence. He recommended that the conditions be further studied by the association, and every means used to bring about the necessary improvements.

In a vigorous address, separate from his president's report, Mr. Thomas asserted that the self centered interests of the sort of agent who goes along without plan, skill, or efficiency, has influenced the companies to establish the branch office system.

Mr. Thomas also deplored that greed for business that causes agents to resort to unethical practices. To get a commission, the price is pared down, bad practices are introduced, and all kinds of schemes are resorted to in the manipulation of coverage. Application of the National association code of ethics in a conscientious manner would go far to correct the practices of this group.

Scores Agent Apathy

Another class of agents criticised by Mr. Thomas are the apathetic ones willing to let others do their thinking, rely too closely on special agents, and make no effort to keep abreast of changes in the business.

Excess commissions make for increased costs, Mr. Thomas said, and today more than ever the public is critically scrutinizing costs. The solution is fewer agents competent to administer faithfully and service efficiently, compensated on a reasonable and fair basis.

Most companies, casualty and fire, have too many agents, and a great number of these are of little value from the standpoint of dollar profit. Again, fewer agents of worth while ability, working under a plan of directed energy, would accomplish better and more profitable results for their companies than the continuation of the present system of rampant and promiscuous appointment of indifferent and the incapable solicitors and producers. Mr. Thomas definitely charged the companies with an obligation to take a practical interest in instituting methods of education better to fit their agents for worth while achievements. He also strongly recommended use of wide-awake, energetic, and intelligent agents by insurance company executives in the way of counsel and advice.

New Viewpoints Needed

Complacency has been one of the faults of the insurance business and one of these days may be found to have placed insurance men in an extremely vulnerable position, H. C. Conick, assistant U. S. manager of Royal, stated. Many of the emergency measures and procedures developing from the national emergency are here to stay, he believes. This means establishment and development of new viewpoints in business generally, and new demands on the part of insurance buyers.

Mr. Conick pointed out, however, that crises in the past have usually found insurance meeting the situation and thereby finding itself in an expanded market. Thorough knowledge of the job at hand is still probably the primary qualification for the good insurance man. Because of the business complication and extension, this is not an easy task. Yet it is essential to establish confidence in the insuring public.

Urge Opposition to Federal 10% Tax on Canada

(CONTINUED FROM PAGE 1)

the provisions in the floater or specific policy to remove any doubt or uncertainty and give the insured reasonable protection, with this in view the committee recommended the following clause for inclusion in floater policies: "Other insurance—This company shall

not be liable for loss or damage occurring—while the insured shall have any other contract of insurance covering any or all of the perils insured by this policy, whether valid or not, on property covered in whole or in part by this policy, excepting that where specific policies are in force covering the same or more perils as covered hereby, then this policy shall not apply to property so specifically insured until exhaustion of such specific insurance and then only for the excess of loss over such specific insurance."

Examples of Conflict

Conflict between statutory conditions of fire policies and provisions in supplemental coverages that the same policies came in for discussion.

Evan Gray, representing a group of companies, asserted with regard to explosion insurance in a supplemental contract that in the event of an explosion occurring due to sabotage or any warlike act no protection is provided under the war clause. But the insurance companies are liable under a straight fire policy where no such exclusion appears. The same situation obtains, he declared, in the matter of falling aircraft protection.

Other Problems

The superintendents' conference has decision whether written applications for all contracts of fire insurance shall be required by the companies; whether excess insurance is to be permitted and, if so, on what basis; the matter of forms of returns for classification of occupancy hazards, and the question of weather insurance.

Agents Qualification

The provinces may, the coming year, draft individual qualification laws which would be used as a guide by companies in employing other-than-life insurance agents.

The All-Canada Insurance Federation has agreed in principle that appointment of new part-time agents in the larger centers is not in the best interests of the business. They urge, however, that in any qualification laws careful consideration be given before cancellation of existing part-time licenses. The committee of the All-Canada has agreed to work in conjunction with superintendents to prepare a statement of principles to govern the selection and appointment of other-than-life agents. When such qualification laws are promulgated, the federation will recommend to member companies that the principles of the regulations be strictly observed.

Commissioner Harrington of Massachusetts deplored and denied reports that compulsory automobile insurance in his state was the cause of increasing road accidents.

Many people believe, said the Massachusetts commissioner, that the enactment of the compulsory automobile law is the solution to the problem of highway safety. Nothing could be further from the truth, he added.

Examination of the Massachusetts compulsory motor vehicle law fails to indicate a single provision conducive to highway safety, Mr. Harrington stated. Neither can it be argued that it has been responsible for an increase in accidents. There are many reasons for the increase in automobile accidents, including an increased number of cars in use, development of high powered motors, greater traffic congestion in cities, construction of super highways and use of automobiles by irresponsible minors.

Since some Canadian provinces, notably, Ontario, have been discussing compulsory automobile insurance, Mr. Harrington recommended that before such legislation were brought into effect the provinces prepare statistics on causes of accidents at the present time.

Increases Claims

While he does not believe compulsory insurance increases accidents, "there is good reason for the conclusion that a large number of claims arise under such a law," he said. Unless the public is

thoroughly educated on its provisions, they are likely to believe that being involved in an accident, regardless of the negligence, they are entitled to receive money for injuries.

Mr. Harrington urged the legal and medical profession to determine beforehand whether any claims against insurance companies were really worth while going to court about. He pointed out that courts in his state had been flooded with such cases and steps had to be taken to facilitate the disposal of them through legal channels.

No mutual company should be permitted to start without a guaranty capital of at least \$500,000 and a surplus of an equivalent amount, he said. Stock companies should have similar capital and surplus. Proper reserve standard for outstanding claims should be definitely described in the statute. Unless this is done, there is a wide opportunity for controversies between companies and supervisory authorities.

Poll Favors Compulsory Cover

Public sentiment 89 percent in favor of a law compelling every automobile owner to carry liability insurance on his car was reported by the San Francisco "Examiner" on the basis of a poll of a "scientific cross section" of San Francisco voters. Among car owners only,

N. D. Meetings Are in Progress

(CONTINUED FROM PAGE 4)

lot of explaining. In recent years, this form has really taken hold, he said.

A review of these three applications will show that a great deal of progress has been made, Mr. Walinder stated. There is no reason to believe that further improvements cannot or will not follow. Of course, the mere knowledge by the agent of the improvements made in present policies is not sufficient. The most successful agents are those who actually get out and talk with the farmer on his own soil. Only by actually visiting the farm can an accurate estimate of the insurance needs be made. And only in this way can proper inspections and recommendations be given to the farmer. If these things are not done, the commissions have not been earned.

The vote was 88 percent affirmative. It was stated the results were similar to those found in other cities. Women voted 90 percent for compulsory automobile insurance and men 87 percent. A greater percentage of persons in higher income brackets favored the proposal.

Minnesota Agents Hail Commissioner on Dealer Licenses

**Engberg President,
Reynolds Chairman
at Rochester Meeting**

OFFICERS ELECTED

President—L. D. Engberg, St. Paul.
Chairman Executive Committee—
H. E. Reynolds, Duluth.
Secretary-Treasurer—F. S. Preston,
Minneapolis.
National Councillor—C. F. Liscomb,
Duluth.
Executive Committee—A. A. Hir-
man, Rochester (past president); Clar-
ence Hunt, Fergus Falls; R. A. Thomp-
son, Minneapolis; L. E. Hatlestad,
Minneapolis; Armand Harris, St. Paul;
Merrill Rolfsen, Austin; E. D. Billea-
deau, Grand Rapids.

ROCHESTER, MINN.—Leroy D. Engberg, St. Paul, who has been chair-
man of the executive committee of the
Minnesota Association of Insurance
agents, was elected president of the as-
sociation at its annual convention here.
He succeeds Arthur A. Hirman, Roches-
ter, one of the youngest state presidents
in the country, who had an enviable ad-
ministration. The election and installa-
tion closed a meeting featured by the
determined stand of Insurance Commis-
sioner N. R. Johnson against licensing
automobile dealers as insurance agents.
St. Cloud and Detroit Lakes bid for
the 1942 annual meeting.

Resolutions Adopted

In resolutions drawn up by a commit-
tee headed by Ward Senn, Minneapolis,
the Minnesota as-
sociation urged
further efforts of
uniform classifica-
tion of automobiles;
uniform method of
policy cancellation;
differential in com-
missions of non-
policy writing
agents; amend-
ments to the pres-
ent standard fire
policy laws to per-
mit incorporation
of new provisions
and an 80 percent collision coverage.

For many years the Minnesota associa-
tion at each annual meeting has gone
on record as favoring an increased ap-
propriation for the state insurance de-
partment, without following up the mat-
ter. This year the resolutions report
urged all members to exert their influ-
ence with local legislators and prospec-
tive legislators in an effort to get results
at the 1943 session. Amendments to
the drivers license law were recom-
mended and the executive committee
was asked to study the present classi-
fication of agencies for dues-paying pur-
poses.

HAIL JOHNSON'S STAND

Commissioner Johnson practically
"stole the show" at the annual meeting
and made a tremendous impression on
the agents when in a brief but courage-
ous address at the annual dinner he out-
lined his program for tightening up on
the licensing of agents and then brought
the large gathering to its feet with the
announcement that he had rejected the
request of General Exchange that he



L. D. ENGBERG

Pencil Notations Made at Minnesota Agents Meeting

Company headquarters at the Roches-
ter convention of the Minnesota Asso-
ciation of Insurance Agents included
those of American Automobile, Conti-
nental, Aetna Casualty, Fidelity & De-
posit, Fidelity & Guaranty Fire, Fire-
man's Fund, Fred L. Gray Company,
Home, Chas. F. Liscomb Company,
Thomas G. Linnell, Lloyds of Minne-
apolis, London & Lancashire, Maryland
Casualty, North America, Pioneer In-
surance Agency, Frank S. Rogers
Agency, U. S. F. & G., G. D. Van
Wagenen Company, Western Surety,
Wm. Walsh Company, Travelers and
Aetna Fire.

Francis McGovern, president Insurors
Association of Rochester, the host group,
worked round the clock for three days
and was ready for the Mayo clinic at
the windup.

Richard Liljeblad, veteran agent of
International Falls on the Canadian
boundary, flew to the Rochester meet-
ing, the first state meeting he ever at-
tended.

Warm praise was given Harry Levant,
Eveleth, chairman; Dick Thompson, Min-
neapolis, and Roy Engberg, St. Paul, for
a strong program.

B. C. Hopkins, Hopkins & Mulock, Des
Moines, past president Iowa association,
renewed acquaintances in Rochester
where he formerly lived.

Richard Gordon and August Quast rep-
resented Baumann & Gordon, Winona
general agents, who sponsored the com-
plimentary luncheon.

A distinguished company man present
was R. Stockton Rush, agency secretary
of North America.

Dan Kirby, president Western Surety,
and C. W. Wirstad, state agent at Fargo,
N. D., mingled with the agents.

Brad Strom, Worthington, membership
chairman, reported 89 new members,
making the total 726 and putting Minne-
sota in sixth place countrywide.

The annual golf tournament proved
popular with both agents and company
men. Forty-four prizes were awarded,
the first five going to Virgil Roby, Trav-
elers; E. J. Peters, Western Adjustment;
William Knudsen, Hibbing, and H. L.
Peterson, Cannon Falls.

license 255 automobile dealers in Minne-
sota as insurance agents.

"Because I was convinced that these
men were not entering the insurance
business in good faith, I felt it my duty
to reject this proposition," Mr. Johnson
said.

The commissioner intimated that he
expects plenty of "heat" from this stand,
with possible court action, but there is
no doubt that he will have the back-
ing of the local agents in his action.

(CONTINUED ON PAGE 20)

Congratulations TO THE

MINNESOTA ASSOCIATION OF INSURANCE AGENTS

for a successful convention just ended. May the organiza-
tion's achievements be even greater in its continued effort
to make insurance adaptable to every legitimate public
need to the end that it may be better recognized as an
institution of unquestioned value in every walk of life.

A



NATIONAL INSTITUTION

with Neighborhood Convenience



**NORTHWESTERN
FIRE & MARINE INSURANCE COMPANY**

Minneapolis

Any agent is at most only a few hours
from whatever assistance is required from
the HOME OFFICE. Personal service to
your problems counts a great deal. It's
our pleasure to serve you.

**TWIN CITY FIRE
INSURANCE COMPANY**

Minneapolis



EDITORIAL COMMENT

Schoolhouse Losses

In the loss report presented at the semi-annual meeting of the Western Underwriters Association by Chairman John R. Cashel, Providence Washington, of the loss committee, attention is called to the number of schoolhouse losses, some of them being of major proportions. In the report six months previous similar comment was made on these losses.

The conclusion is reached that there was no arson and hence the cause is improper housekeeping. This is a very sad commentary on school management that

will permit bad housekeeping to bring about fire in school buildings. Very often a school house loss means loss of life.

It would seem to be very pertinent for state fire prevention associations to make this one of their major objectives—to see to it that school boards, especially in cities where there is more congestion, use the utmost care. Perhaps we can excuse to some extent bad housekeeping in the industries but we cannot so far as schoolhouses and the lives of children are concerned.

Taking a Crack at Public Relations

At nearly every insurance convention, seemingly there must be a talk on public relations and insurance advertising. The subject is vastly important. Insurance is after all a friendly business, quite personal. It needs good will and any untoward event is a reflection on the industry. All in the business are ready to listen to practical suggestions.

What however irritates us is the professional advertising man who pontificates on what he characterizes as the dullness, lack of appeal and inefficiency of insurance advertising that is in the secular publications. He claims people do not read the advertising because the copy is built for those in insurance and not for the premium payer.

In a recent address H. K. Dugdale, a distinguished advertising expert, criticized the insurance fraternity because its representatives declared it is different from other enterprises and hence requires a special treatment from a publicity, standpoint. Yet, to challenge Mr. Dugdale's statement, it is vastly different.

Most advertising men are dealing with commodities that have a distinct sense appeal. They all can be seen, heard, tasted, felt or smelled. Insurance has no sense appeal. Commodity advertising has to do with sales of a product that we put into immediate or future use, that will be consumed at once or used for many years. The advertising formulae can be applied with proper adaptation to any of these products. Even investment advertising has back of it something quite tangible.

Insurance, so far as its property forms are concerned, may never come to life. An individual or concern may never have a claim and fortunate is one who has that experience, or claims may be few and far between. Any kind of a policy is good enough unless a

answer to just one question, what will insurance or to be specific what will windstorm insurance or automobile or fire insurance do for me and why should I buy it?

It does take a person versed in insurance who has the ability to sound public opinion, who has imagination and who can sense the demands of the people to produce insurance advertising copy that is arresting. Most of the difficulty has been insurance companies have stopped with a "person versed in insurance." But these former misconceptions are being rapidly corrected and advertising in later years has become far more vital. The main difficulty has been that the executive to whom was assigned supervision over advertising was a most capable insurance man but who lacked advertising ability.

Probably the most flagrant weakness

in insurance advertising procedure is not bringing in the producers for counsel for they often all are in touch with the public. The sales slant is most desirable to employ in any advertising campaign. It is not necessary to have a town meeting of producers but a company could with great advantage call in 10 leaders and obtain their opinion.

There are some professional advertising men who are studying insurance, realizing that they must recognize its peculiar function and their advertising copy freed of generalities strikes at the buyer's insurance needs.

We object again to the blanket condemnation of insurance advertising as being so inferior to that of other great institutions.

It has been improving all the while. It is accomplishing much and we believe it will accomplish more.

PERSONAL SIDE OF THE BUSINESS

C. W. Ohlsen, western manager of Sun, and Mrs. Ohlsen are holding open house at their farm home near Valparaiso, Ind., Sept. 21, marking their 25th wedding anniversary.

Miss Mildred Mabelle Codere, daughter of President **C. F. Codere** of the St. Paul Fire & Marine, will be married to David M. Fleming of South Bend, Ind., Oct. 14.

Miss Helen Benson Noyes, daughter of **Haskell Noyes**, of Leedom, O'Connor & Noyes, Milwaukee, was married there to David A. Hyde of Naugatuck, Conn. Mr. Noyes and the groom's father were classmates at Yale.

John R. Wright, manager of the 57-year-old agency of H. J. Drane & Son, Lakeland, Fla., was elected president of the Chamber of Commerce. He also is head of the housing committee for low priced houses for both whites and colored, and the National Association of Retired Railway Employees. He is a past state governor of Kiwanis.

The marriage of **Charles C. Liscomb** and Miss Virginia Stone Gordon took place at Duluth, and the couple resides in Minneapolis where Mr. Liscomb is associated with the U. S. F. & G. He is a son of C. F. Liscomb, Duluth, past president National Association of Insurance Agents.

Irving J. Barron, Iowa City local agent, holds a record for a fine example of loyalty to his alma mater, University of Iowa, whose football team he captained in 1915. He has attended the opening day of practice at Iowa for the last 28 years.

Robert P. Osier of Des Moines, veteran Iowa state agent of Norwich Union, was reported recovering from an emergency appendicitis operation. He is wielder of the Iowa Blue Goose.

Lloyd L. Gaines, special agent in Kansas for Commercial Union, acquired the status of a grandfather the other day when a daughter was born to Mrs. Eugene S. McMillin, Lawrence, Kan.

Viscount Knollys, managing director of Employers Liability in London, who

has been appointed governor general of Bermuda, visited the United States branch in Boston, being honored at an informal dinner. E. C. Stone, U. S. general manager, home office executives and department heads and assistants were present. Viscount Knollys spoke informally. "Although the people at home might become complacent due to the let-up of the blitz during the last three months, they must recognize that it is liable to end and will start again soon. Therefore," said the viscount, "they must be alert and prepared. We, in the insurance business, likewise cannot afford to sit by and be complacent. During these times we must examine our business and ourselves critically."

DEATHS

Charles M. Carter, for 22 years associated with the Detroit Insurance Agency, died Friday morning at Harper Hospital, Detroit. Funeral services were held Monday at Saginaw, Mich., with burial in the family plot in that city.

Mr. Carter, born at Galesburg, Ill., in 1879, had a very interesting and farflung insurance experience. Entering the business in 1901 in the Chicago office of London & Lancashire, he succeeded to the position of state agent for Hanover Fire in Oklahoma while that state was still Indian Territory. He was transferred to Wisconsin to represent this company where he served for a number of years. Later, he became state agent for the North America in Michigan. Joining the Detroit Insurance Agency in 1919, he continued until retirement a year ago because of ill health.

Mr. Carter is survived by his widow, Anna Watson Carter; his brother, George W. Carter, president of the Detroit Insurance Agency, and three sisters, Mrs. Myrtle Stewart, Belvidere, Ill.; Mary G. McCulloch, who is in the Chicago office of Springfield F. & M., and Mrs. Ethelinda Berg of Chicago.

George Carter was in Grand Rapids for the convention of the Michigan As-

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sociation of Insurance Agents and was called back to Detroit Thursday morning because of his brother's condition.

Elias A. Sondheim, 63, for 40 years connected with the Boston, and for many years as counterman, died at his home in Brookline, Mass. He was one of the best known and most popular insurance men on the street, was active in the Insurance Society of Massachusetts, a member of the Boston City Club, a 32nd degree Mason and Shriner and a member of the Elks.

E. Wright Spencer, manager of the Virginia Rating Bureau, Richmond, for many years and widely and favorably known among members of the insurance fraternity throughout the state, was stricken with a heart attack at his desk in his office and died before medical assistance could be summoned. He had been on his annual vacation and had returned only a few days previously. He celebrated his 63rd birthday anniversary Sept. 7.

Mr. Spencer was a native of North Carolina, born and reared near Oxford. After training in a business college at Richmond in 1904, he went with the D. N. Walker & Co. agency there. Then he joined the old stamping office in Roanoke, and when that office was merged with the Richmond Inspection & Rating Bureau, he returned to Richmond with the Walker agency. He soon resigned to become assistant manager of the bureau under the late Archie H. Harris, then manager. When Mr. Harris resigned as manager a year or so later Mr. Spencer succeeded him.

In recent years, Mr. Spencer was relieved of considerable managerial work of the office, which was taken over by his two assistants, W. C. Wood and L. O. Freeman. In 1939, Mr. Spencer spent several months in Florida for his health.

Jesse T. Reese, local agent of Columbia, S. C., 59, died there. He started in insurance at Columbia, following graduation from the Citadel and for seven years was connected with the Swaffield Insurance & Real Estate Company, opening his own agency in 1911.

Miss Ellen Cromwell Saint, daughter of **John D. Saint**, former manager Tennessee Association of Insurance agents, now of Bowling Green, Ky., was married to W. R. Nieman, Philadelphia.

Otis B. Chatfield, 36, Atlanta, manager of American Reserve, was found shot to death at his home last week. It was believed to be suicide.

H. B. Edwards, state agent at New Orleans for Home, died at his home. He started his insurance career at the age of 15.

Mary G. O'Brien, for 17 years on the service staff of Royal, Seattle, died.

William McCallister, elderly Vancouver, B. C., adjuster, died at his home there. He was associated with the British Columbia Blue Goose.

Edward L. Durand, 74, director and auditor of Iowa Fire, died at Presbyterian hospital, Waterloo, after a three-week illness from a complication of diseases. He suffered from a kidney ailment and recently had pneumonia.

Durand went to Waterloo 20 years ago as auditor of Iowa Fire and was a close friend of the late Hermann Miller, one of the founders. He served in this post for 10 years, becoming a director when the Iowa Fire became

associated with the Aetna Fire. Oscar Durand, a son, is office manager of the Iowa Fire.

Major Howell Smith, manager in eastern Canada for Wawanesa Mutual since 1930, died at his home near Toronto. He had been with the Wawanesa since 1923, first as a field representative and agency superintendent in Manitoba and Saskatchewan.

W. A. Adamson, who formerly headed the Adamson adjusting firm in Toronto, died at his home there.

William S. McCurley, 71, president of White & McCurley, Baltimore general agents and brokers, died in that city. Mr. McCurley helped organize the firm 42 years ago. He served as chairman of the executive committee of the Baltimore board and vice-president of the Fire Insurance Salvage Corps. of Baltimore.

Walter M. Rosen, 60, well-known insurance agent and head of the Rosen Insurance agency, Ogden, Ia., died in a Des Moines hospital. He was one of the best known bird authorities in the country and a coin collector of note.

NEW YORK

NATIONAL UNION EXPANDS

For the third time within the 10 years since National Union established its New York metropolitan office, it has been forced to seek larger quarters. Its most recent change was to 88 William street, where ground floor and second-floor space is now occupied by the fire and inland marine departments. In celebration of the latest removal the entire staff of the branch were entertained at dinner by Manager W. A. Rattelman.

While Mr. Rattelman's connection with National Union dates from 1931, he had earlier underwriting experience, first with a local company at Pittsburgh, and later as special agent in Pennsylvania for National Liberty.

TRAVELERS' BROOKLYN SHIFT

The Brooklyn branch office of Travelers will be moved to 26 Court Street from its present location at 130 Clinton Street on Sept. 20.

E. P. Hills, assistant cashier at Brooklyn, Sept. 24 will assume the position of cashier of the company's branch office at Yonkers, succeeding H. G. Ford, who has been transferred to Travelers' Hartford branch as general assistant cashier.

SUBURBAN FIELD CLUB MEETS

Members of the Suburban New York Field Club at their meeting last week

offered their services as speakers at meetings during fire prevention week, which begins Oct. 6. Speaker at the meeting was Judge William F. Bleakley, prominent Westchester County jurist. The club's next meeting will be Oct. 6 at Block Hall. W. L. Bennett, Northern Assurance, president, conducted the meeting.

ASKS PROPER PIER BUILDING

Calling attention to the \$2,000,000 Brooklyn waterfront fire on Aug. 18, and the burning of the Panuco, the New York Board has asked New York City authorities to give immediate attention

to proper construction and protection of waterfront property, since such property is peculiarly subject to damage by sabotage or aerial bombardment.

The recommendation is contained in a report which gives a full account of the big fire. Existence of sisal on the waterfront undoubtedly contributed to its spread.

Serious pier fires are not unusual, and underwriters are not particularly sanguine about the future. The report points out that the board has on file plenty of information concerning the proper construction and protection of piers and wharves against fires.



Plug No. 21 1941

GONE ARE THE DAYS

when building materials, skilled craftsmen, machinery and stock replacements were readily available.

Today delay is inevitable—and delay is costly.

Never has there been a better opportunity to demonstrate the value of

USE AND OCCUPANCY INSURANCE

not only to the Manufacturer, but also to the Merchant.

Personal assistance in closing prospects will gladly be given by

USE AND OCCUPANCY DEPARTMENT

**FIRE ASSOCIATION OF PHILADELPHIA
LUMBERMEN'S INSURANCE COMPANY
THE RELIANCE INSURANCE COMPANY
PHILADELPHIA NATIONAL INSURANCE CO.**
401 WALNUT STREET, PHILADELPHIA
FIRE, MARINE and AUTOMOBILE INSURANCE

When the services of a skilled insurance agent are enlisted in planning proper insurance coverage his job has only begun—throughout the life of the policy he will keep the assured's insurance problems under supervision.

**Globe and Rutgers
Fire Insurance Company**



**American Home
Fire Assurance Company**

Home Office: 111 William Street, New York

AVAILABLE

Young married man, college graduate, with 13 years continuous experience in Chicago and Detroit with one of the largest general agencies in the country, desires another affiliation preferably in either of above cities. Employed at present. Address O-15, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

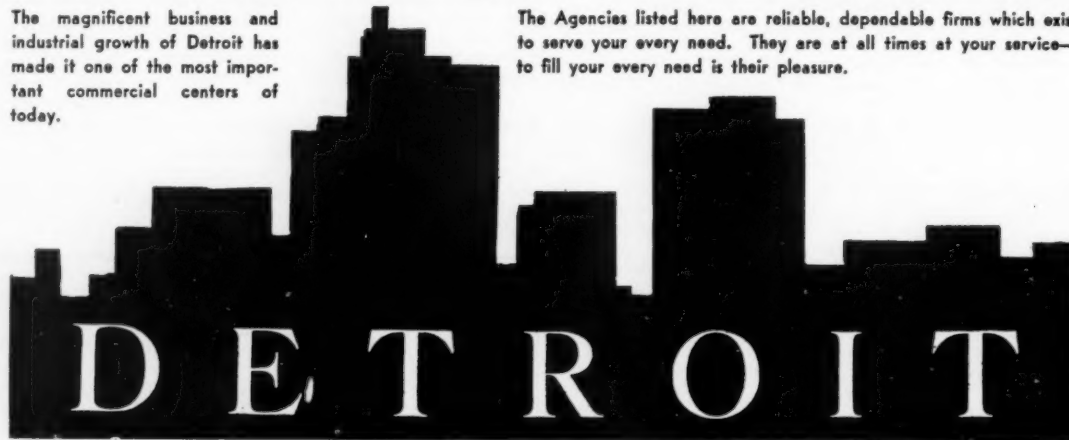
FIELD MAN WANTED

for agency mutual covering parts of midwest. Please write stating qualifications. Address Box O-14, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

DEPENDABLE AGENCIES

The magnificent business and industrial growth of Detroit has made it one of the most important commercial centers of today.

The Agencies listed here are reliable, dependable firms which exist to serve your every need. They are at all times at your service—to fill your every need is their pleasure.



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General Agent

GRANITE STATE FIRE INSURANCE CO.
PORTSMOUTH, N. H.

No Direct Writing

We Do Not Compete with Agents

1653 Union Guardian Bldg.

DETROIT, MICH.

Member—Amer. Assn. of Ins. Gen. Agts.

ROBERT W. WOLF

Raymond & Raymond

GENERAL
INSURANCE
AND
Surety Bonds

1044 Free Press Bldg.

DETROIT

The Maxwell Underwriters, Inc.

FIRE	LIFE
LIABILITY	ACCIDENT
AUTOMOBILE	BURGLARY
COMPENSATION	SURETY BONDS

1563 Union Guardian Building

DETROIT

Robert S. King

Charles A. Ramsay

KING & RAMSAY

State Agents
Western Casualty & Surety Co.
Western Fire Ins. Co.

AGENCY INQUIRIES INVITED

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Randolph 0377

DETROIT, MICH.

HOMER WARREN & CO.

ESTABLISHED 1884

DIME BUILDING

DETROIT

ARTHUR J. ROHDE, INCORPORATED

GENERAL AGENTS

Continental Casualty Co.
Detroit Savings Bank Building

Continental Assurance Co.
Phone Randolph 4417

KELLY-HALLA-PEACOCK, INC. INSURANCE

BUHL BUILDING

DETROIT, MICH.

DETROIT INSURANCE AGENCY

Underwriters of all forms of insurance

Fisher Building
Detroit

G. W. CARTER
President

H. L. NEWMAN
Vice-President

L. J. LEPPER
Secretary-Treasurer

Michigan Attendance Sets Record

Day at Hand to Create Customer Demand for Fidelity

E. M. Allen Exhorts Producers to Grasp Opportunity of the Hour

If history repeats itself, the present world war and the post war boom will offer boundless opportunities to the agents to develop and produce a vast amount of new honesty insurance. E. M. Allen, executive vice-president of National Surety, asserted in addressing the convention of the Michigan Association of Insurance Agents.

The defense program already has speeded up business in practically every branch of industry nationwide.

This speeding up of business way beyond the normal will make it easy for agents to sell their customers to the idea that honesty insurance is essential to their welfare.

Fidelity premiums written by all companies in 1914 approximated less than \$10,000,000 annually. There was a slow increase through the year 1917 when the curve sharply rose to a peak of \$45,000,000 in premiums in the year 1930. Then gradually the total amount of premiums fell off to about \$40,000,000 a year from 1936 to this date.

Base Four Times Greater

The business is now starting from a base of \$40,000,000 in premiums compared to a base of less than \$10,000,000 in 1914. The business now on the books of all companies is fairly stable and permanent. The upswing in business due to the defense program will carry with it a general demand for honesty insurance that will have to be supplied by the insurers. All of this business may not be written by companies dealing through the American agency system but the agency forces of this country will have full opportunity to get their share.

Mr. Allen recalled the survey conducted by the National Association of Credit Men indicating that while fire insurance is carried to the extent of 75 percent on insurable property, only about 10 percent of the available honesty insurance has been written by surety companies. In other words the survey shows dishonesty losses approximate \$250,000,000 annually while the amounts paid by surety companies in losses are only \$20,000,000 per year. Thus potentially American business is underinsured to the tune of 90 percent.

A large proportion of the mercantile failures of the past decade have been caused by the dishonesty of employees. Even without the incentive of vastly increased business under the defense program, the agents and surety companies must recognize the fact that but little has been done to develop this vast untouched field of potential business.

Customer's Demand Lacking

Fire insurance is taken as a matter of course by all businessmen and might be termed a popular demand. Honesty insurance, on the other hand, is not sufficiently understood nor has it been sufficiently sold by agents or companies to create a customer's demand. It is high time, however, for the insurance industry to determine what the customer really wants if perchance the present types of coverage are not to his liking.

(CONTINUED ON PAGE 19)

Auto Dealer Licensing Is Big Issue in Michigan

Two of the speakers at the convention of the Michigan Association of Insurance Agents at Grand Rapids devoted their attention to automobile insurance, with particular reference to the tangled issues involving the relation of insurance to the financing of cars. The speakers were Alfred I. Dreifus of Detroit, chairman of the automobile insurance study committee of the Michigan association, and Seth R. Burwell of the Michigan insurance department. Both of them had much to say regarding the question of licensing for insurance of automobile dealers.

Mr. Dreifus recalled that General Motors dealers in some 17 states have already been licensed for Motors Insurance Corporation, which is a subsidiary of General Motors Acceptance Corporation. The issue has not yet arisen in Michigan.

Recalls Battle in California.

The movement towards licensing automobile dealers, according to Mr. Dreifus, started as a result of the battle in California between the banks and the finance companies. The activity of the banks in financing automobiles caused the pot to boil, he said. The dealers were able to discount their notes with the banks and get a commission on the insurance.

Bank financing in Michigan, he said, started in a small way. At first the banks offered to finance purchases of cars at a lower rate and agents induced their friends to go to the banks for such accommodations. Bank financing, however, is now thriving in Michigan. And the banks' treatment of insurance agents is little better than that of the finance companies, he said.

In retaliation against the banks, in other states which were wooing automobile dealers by giving them a commission on the insurance, General Motors put into the field Motors Insurance Corporation, alongside of General Exchange Insurance Corporation. Motors Insurance charges conference rates and pays a commission to the dealers whereas G.E.I.C. writes direct at a deviation. This action of General Motors, he predicted, will be followed by other finance organizations. He recalled that Commercial Credit Corporation, which already had one insurance company, Calvert, just recently put into the field Cavalier. Mr. Dreifus said he assumes that Cavalier will operate along the same lines as Motors Insurance. Then there is the Bank of America which recently organized a company known as Premier.

Threat in Licensing

One of the big threats in the licensing of automobile dealers, according to Mr. Dreifus, is that the dealers will not confine themselves merely to writing fire, theft, collision and comprehensive on financed cars, but that they will solicit renewals, after the customer acquires title to the car and that they will also go after the automobile PL and PD covers.

Mr. Dreifus quoted from a letter of instructions from Motors Insurance to General Motors dealers in Illinois, stating that as a prerequisite to becoming licensed for insurance, the dealers must amend their charters to permit them to engage in insurance and this letter makes reference to automobile liability and property damage coverage.

Mr. Dreifus said that the Michigan agents should take action immediately in an effort to prevent the licensing of dealers in Michigan. For one thing, he

said, they should request the insurance department to give the Michigan agents' association a hearing before any automobile dealers are licensed.

Mr. Dreifus also commented on the ruling of the Michigan department, effective Sept. 1, outlawing the sale of so-called convertible collision. Mr. Dreifus said that for some time the companies have been seeking to discourage the agents from writing this cover because of the adverse experience. Some agents cooperated with the companies and wrote convertible cover only when pressed to do so by their clients. Other agents, however, defied the companies.

The ruling of the department, he said, is most helpful to agents as it removes a source of controversy with their assured and it also makes it impossible for the direct writing companies to offer this coverage where the agent has been unable to provide it. The companies, he recalled, after the convertible collision cover was outlawed, brought out full cover and \$15 deductible collision. These new forms, he predicted, will provide a means of transition.

Compulsory Auto Insurance

Mr. Dreifus also observed that the threat of compulsory automobile insurance has been removed for the time being but he predicted that such legislation will again be proposed in the 1943 legislature. He said that the association should keep in close touch with the operations of the new financial responsibility law in New York.

Mr. Burwell said that the Michigan department proposes to promulgate five rules touching on relation of insurance to automobile financing.

The first rule is that insurance companies and agencies under the wing of a finance company shall be responsible to the department for the proper conduct of the finance company within the bounds of this program.

Another rule provides that no finance company shall provoke the cancellation of existing policies on a short rate basis in such manner to be in violation of the anti-twisting laws nor shall adopt any procedure which denies to the auto purchaser the right to insure his new vehicle in the same company in which insurance may be existing on the trade-in vehicle. However, the finance company may refuse to accept coverage which does not comply with reasonable requirements.

Limit on Coverages

Another proposed rule is that no insurance company or agency under the wing of a finance company shall handle covers not necessary to the protection of the finance company interested in the vehicle nor shall solicit insurance covering the car after the finance company's interest has expired. Then there is a proposed rule that no finance company shall offer as an inducement to persons placing insurance with its insurance company or agency any factor of interest decrease nor other valuable consideration. Mr. Burwell said that some finance companies have offered a 6 percent plan where the insurance was handled according to its wishes and a 7 percent plan if the purchaser bought his coverage independently.

The final proposed rule is that no contract agreement or arrangement of whatsoever nature shall exist whereby automobile dealers, their salesmen or other employees shall receive from any finance company or insurance company any consideration for directing or in any

(CONTINUED ON PAGE 26)

Grand Rapids Rally Draws 450; Cox New President

Speaking Program Offers Valuable Material to Member of Agents Group

NEW OFFICERS ELECTED

President—Guy M. Cox, Iron River.
Vice-president—Arno Schorer, Kalamazoo.

Treasurer—Carl F. Trager, Lansing.
Secretary—W. O. Hildebrand, Lansing.

National councillor—George W. Carter, Detroit.

By LEVERING CARTWRIGHT

With an attendance of 450, an all-time high, and with a program that compelled religious attendance at the sessions the convention of the Michigan Association of Insurance Agents at Grand Rapids added much to the prestige of the organization. The interest shown in the proceedings by newer members was conspicuous.

A resolution was passed favoring the taxation of mutual and reciprocal insurance companies by the federal government on the same basis that capital stock companies are taxed.

Another resolution requested the Stock Company Association to transmit loss drafts in H. O. L. C. loans through the office of the local agent writing the business. C. H. Dickinson, district manager in Indiana and Michigan for the SCA, said at the convention that the present practice is to remit drafts for \$100 or less to assured, with larger amounts sent to the H. O. L. C. office.

A motion was made requesting the Michigan insurance department to notify the agents' association when an application is received for an insurance license by an automobile dealer, and that a hearing be provided before a license is granted.

Strong Addresses

Of the convention addresses particularly stimulating was that of E. B. Moran of the National Association of Credit Men. He has been making numerous appearances before insurance groups, and the points that he makes have been well publicized, but in the flesh his message has a fresh and stirring appeal to local agents. Several members remarked that his address will mean thousands of dollars in premiums to Michigan agents. It is a motivating type of talk; it causes agents to appreciate their true responsibility toward their clients, and a large number in the audience will approach their task this week in a new spirit.

The oration of Dr. Charles Copeland Smith, which was broadcast, also made a big impression on many. He and Dr. Allen Stockdale are the two full-time members of the speakers bureau of the National Association of Manufacturers. Dr. Smith is a real orator. Also at the same session appeared John S. Bugas of the F. B. I., who gave some thrilling stories behind the headlines of F. B. I. accomplishments. R. W. Forshay, the much beloved vice-president of the National Association of Insurance Agents, was another platform star. He always speaks with earnestness and feeling, but

he enlivens his presentation with humorous thrusts that are appreciated.

E. M. Allen, executive vice-president of National Surety, gave an address that had motivating power. He showed how the volume of fidelity business rose to new levels in the last war and he predicted that history will repeat itself.

David A. Forbes of Grand Rapids, the retiring officer, presided with dignity and he kept the proceedings moving smoothly.

The group missed the traditional hour during which National Councillor George W. Carter of Detroit sketches topical problems and developments. Mr. Carter was called back to Detroit because the condition of his older brother, C. M. Carter, who had been ill for some months, had taken a grave turn. However, parts of Mr. Carter's talk were read, including the statement, "If the companies expect any cooperation from the agents they will have to differentiate in the amount of commission paid to policy and non-policy writing agents in the fire insurance business."

At the helm for the ensuing year is Guy M. Cox of Iron River, the second man from the Upper Peninsula ever to hold the presidency. Arno Schorer of Kalamazoo, according to the line of succession in Michigan, moves up from treasurer to vice-president and Carl Trager of Lansing is the new treasurer.

The local arrangements were excellent. Archie B. Millard of Grand Rapids, who puts his heart into everything he undertakes, was chairman.

Mackinac Bids for 1942

The Upper Peninsula Association invited the Michigan Association to hold its next annual meeting at the Grand Hotel at Mackinac Island, and it would be a joint affair with their own annual meeting. An invitation was also received from Port Huron.

President Forbes called the convention to order at the opening session, and impressive patriotic rites were performed, including the singing of the Star Spangled Banner led by W. A. Doyle of association. Mr. Millard extended greetings in behalf of the Grand Rapids hosts.

Mr. Trager presided over a period devoted to the activities of the education committee of which he is chairman. He presented H. C. Megrew, Fidelity & Deposit, Detroit, chairman of the education committee of the Surety Association of Michigan, and L. Irving McKay, Northern of England, educational chairman of the Michigan Fire Underwriters Association.

H. Thompson Stock, instructor University of Michigan extension service, presided at the presentation of awards to those who had completed the courses. He was assisted by Dr. C. A. Fisher, director of extension service. Of the first 200 students in the fire and transportation course, 64 finished; of the first 35 in

Past Presidents Are Honored at Banquet

About 475 attended the brilliant banquet of the Michigan Association of Insurance Agents. The head table was lined with dignitaries. A loud speaker carried President Roosevelt's radio address to the entire banquet group.

President David A. Forbes of Grand Rapids was the presiding officer. Past President W. A. Doyle of Detroit performed at ceremonies honoring past presidents. He called the roll from the beginning. If the man were dead, Secretary W. O. Hildebrand called "absent" as the name was called, or if the man were living but unable to be present, Mr. Hildebrand would give the explanation. There were 14 past presidents on hand as follows:

James M. Crosby, Grand Rapids; Geo. M. Goodell, Lansing; John P. Old, Sault Ste. Marie; Clyde B. Smith, Lansing; Phil J. Braun, Flint; Lee A. Dudley, Battle Creek; Fred L. Winter, Muskegon; Chas. E. Freese, Detroit; W. G. McCune, Petoskey; J. A. Grow, Detroit; J. W. Mundus, Ann Arbor; Jas. M. Crosby, Jr., Grand Rapids; Martin Mullally, Muskegon, and Mr. Doyle.

President Forbes had a number of others take a bow.

State Senator E. W. Munshaw, Grand Rapids, substituted for the mayor in bringing greetings.

Commissioner Berry made a talk in which he expressed intention to cooperate in elevating the character of agency representation.

the casualty-surety course, 28 went the full route.

MORAN'S MESSAGE

E. B. Moran, Chicago, manager of the central division of the National Association of Credit Men, who has been a popular speaker at insurance gatherings in the past year, gave an address. He was on familiar ground, as he resided in Grand Rapids in his earlier days.

Mr. Moran has a message that strikes home to an insurance audience. He does scold the agents for failing to pursue their calling more aggressively and for falling back on double-jointed insurance phraseology to such an extent that the public often does not have a true understanding of their insurance. But in scolding the insurance salesman, Mr. Moran is praising the agent's wares. He said the credit men are concerned because business is not adequately insured. He quoted the now very familiar figures based on a survey showing that 43 percent of the firms that suffer fire loss of \$1,000 or more never reengage in busi-

ness because of inadequate insurance. Many firms that do get back in operation later collapse due to the effect of the loss. And others suffer deterioration of their credit ratings.

Mr. Moran rattled off numerous concrete examples of firms that suffered staggering blows for lack of insurance.

Cooperation between insurance and credit men is an economic necessity, he asserted. Insurance must be provided as an added security in protecting receivables of the credit man and in protecting sources of distribution.

Credit men, he declared, should always ask for an insurance survey, but they have not yet been convinced of the value of doing so. They should ask as quickly for the insurance survey as they do for the balance sheet and statement.

In Chicago, he said, a series of six evening lectures on insurance subjects is being arranged for insurance men.

The final feature of the morning session was the report of the administration by President Forbes.

The group gathered for a convention lunch which had no oratorical embellishments.

Work of Speakers Bureau

At the afternoon session Clyde B. Smith of Lansing, past N. A. I. A. president, was authorized to send a message of greetings to the Minnesota Association of Insurance Agents in session at Rochester.

A period was devoted to the subject of public speaking, the leaders being Walter B. Cary of Detroit, chairman of the speakers bureau, and J. W. Mundus of Ann Arbor, past Michigan president.

Mr. Cary said that during the past year the speakers bureau furnished talent that addressed 114 gatherings with a total audience of 44,000. There should be an average of eight such addresses a week given in the state, he declared. The bureau can supply a speaker on 72 hours notice.

Ohio Leader Presented

Mr. Mundus, who has an excellent platform presence and strong delivery, read a paper of the type that is suitable for presentation at luncheon club gatherings. This was well put together and carried an excellent insurance story in 20 minutes. Ordinarily at a luncheon club, 45 minutes is occupied with knives and forks, 20 minutes is taken with club business and then the speaker has 20-25 minutes. This is sufficient for an effective presentation if the material is well organized.

Paul W. Kridler, president of the Ohio Association of Insurance Agents, was presented and spoke a word of greetings.

W. O. Hildebrand, secretary of the Michigan Association, introduced the next speaker, John S. Bugas of Detroit, special agent in charge of the F. B. I.

Mr. Bugas outlined the work that the

F. B. I. is doing to preserve the nation's internal security.

Mr. Bugas held the attention of the agents closely, as he told the stories behind the capture of the series of Public Enemies No. 1. He knows how to handle the suspense element and his stories were highly exciting.

The great power of the F. B. I. is that it coordinates and correlates law enforcement work. Handling subversive activities involves long drawn out investigations and the technique is no different from that involved in law enforcement of the normal type.

OVATION FOR FORSHAY

Then came forward R. W. Forshay of Anita, Ia., just a few weeks short of being president of the National Association of Insurance Agents. He was given a standing ovation as he took the platform. He drew a big laugh when he told of driving to Grand Rapids at 80 miles an hour with the chairman of the highway safety committee of the N. A. I. A., Archie B. Millard of Grand Rapids. At another point he made a sally that was appreciated, referring to "that other vice-president from Iowa."

Upon completion of his talk he was presented with a check for the Michigan dues from Arno Schorer, treasurer of the Michigan association.

Dr. Charles Copeland Smith of St. Charles, Ill., of the speakers division of the National Association of Manufacturers, gave a stirring oration, which was broadcast over Station WLAV.

Alfred Dreifus, Detroit, reported for the automobile study committee, touching on the barring of convertible collision cover in Michigan, the auto finance situation, and compulsory insurance.

Memorial Services

At the final session, Lee A. Dudley, Battle Creek, conducted memorial ceremonies for George Brown, who was for many years secretary of the Michigan Association, and for other members who had died during the year.

J. W. Mundus, as chairman of the committee in charge, announced award of a new plaque in memory of George Brown to the local board that had been, outstanding in educational work, civic contribution, etc. Kalamazoo was selected as the first winner of the plaque. There were present at the Grand Rapids convention 18 of the 22 members of the Kalamazoo Board, Henry Pierce, president of the Kalamazoo unit, accepted.

Guy M. Cox of Iron River introduced C. H. Dickinson, district manager of the Stock Company Association, the first speaker of the morning.

Mr. Dickinson said that 40 percent of the orders that go out from the S. C. A. district office are incorrectly executed. With the aid of a "stooge" from the au-



GUY M. COX, Iron River
New President



DAVID A. FORBES, Grand Rapids
Retiring President



W. O. HILDEBRAND, Lansing
Secretary



CARL TRAGER, Lansing
Treasurer

dience, Wm. Gibson, North British & Mercantile, Mr. Dickinson brought out some of the errors that agents make. He urged agents always to get in touch with the householder and give him an opportunity to insure his equity in the property.

Asks Adjustment Speed

One member inquired whether HOLC loss settlements could be expedited. Mr. Dickinson said in extreme cases the S. C. A. will cooperate. The agent should refer the loss to a company adjustment bureau and inform the S. C. A. of what has been done. Usually, however, there is no great hurry and the S. C. A. desires to assign the losses.

John P. Old of Sault Ste. Marie said the loss drafts should come through the local agent. Col. J. G. Emery, public relations representative of the S. C. A., said that the operations are enormous, but that the organization will always give considerations to agency suggestions.

Mr. Doyle asked the resolutions committee to draw a memorial, requesting the S. C. A. to route loss drafts through the local agents. This was later adopted.

AUTO FINANCE ISSUE

Seth Burwell of the Michigan department gave a talk on the question of the agent and finance business. The Michigan authorities decided several years ago to license insurance subsidiaries of finance companies on the understanding they would insure only risks in which the parent finance company is interested and then only during the period of the lien. An issue arose when the borrower desired to place his insurance independently. In 1939 there was enacted pertinent legislation in Michigan and the department framed a program. The vendor is not permitted to interfere with the right of the purchaser to get his insurance outside. There is little justification for licensing auto dealers, he said. It must be conceded, he declared, that the finance companies, through insurance affiliates have rendered service by reason of affording cover to many motorists that would not be acceptable to the regular insurers, through the financing of premiums, through prompt and accurate effecting of insurance.

Mr. Burwell stated five tentative rules that the department is now disposed to promulgate.

Smith Introduces Allen

Clyde B. Smith, a past National president, introduced the next speaker, E. M. Allen, executive vice-president of National Surety, who is also a past N. A. I. A. president. Mr. Allen suggested that now is the great opportunity to put fidelity sales on a new high level.

Phil Braun of Flint brought in the report of the nominating committee. In addition to the principal officers there were elected to the executive committee: D. T. Marantette, Detroit; J. W.

Mundus, Ann Arbor; P. D. Worgess, Battle Creek; L. H. Krueger, Niles; C. W. Dow, Flint; A. A. Smith, Lansing; H. D. Wilson, Grand Rapids; Fred L. Winter, Muskegon; E. R. Moore, Port Huron; H. W. Brady, Saginaw; Glenn Power, Traverse City; W. G. McCune, Petoskey; Fred Roper, Menominee; H. W. King, Calumet; H. M. Thatcher, Pontiac.

For the first time at a Michigan convention there was organized **entertainment for the ladies**. A group of 53 was taken to luncheon and then made a tour of the famous Grand Rapids Furniture Museum. Miss W. Irene Erb, Grand Rapids local agent, was chairman of the ladies committee.

A number of company executives who normally would have made the trip were unable to do so because of the conflict with the convention of the **Western Underwriters Association**.

John H. Bryden, surety manager at Chicago for Glens Falls Indemnity, made the trip.

Day at Hand to Create Customer Demand for Fidelity

(CONTINUED FROM PAGE 17)

When the defense program swung into action and government contracts were awarded on a cost-plus-a-fixed-fee basis and otherwise, the government insisted that all projects be completely covered by insurance, including the bonding of the entire personnel of contractors doing defense work. The bids on the bonding of such employees called for blanket honesty insurance.

The Surety Association of America, realizing that expenditures for defense eventually would reach the small businessman, promulgated rules on blanket honesty protection, making this coverage available for the average small businessman and retailer.

Prior to the change in rules the cost of blanket honesty insurance was usually considered prohibitive by the smaller businessman and in consequence was popular only in large industrial centers and in the big cities. Since the change in regulations, followed by rate reductions, the field for the sale of honesty insurance has been broadened to the point where merchants and businessmen in every village of this country may be looked upon as prospects for this type of insurance. During the past few months there has been a noticeable increase in the writing of honesty insurance on the part of all surety companies, but it marks only a beginning.

Forms Are Simplified

In addition to the reduction in price which may have accounted for much of the increase in business, a simplification of forms of coverage, appealing both to the agent and to the customer, has

(CONTINUED ON PAGE 32)

DEARBORN NATIONAL
CASUALTY COMPANY

DEARBORN NATIONAL
INSURANCE COMPANY

"THE DEARBORNS"

Detroit, Michigan

Modernized Policies

Independent Operation

Coverages With Sales Appeal

Home Office Facilities at your Door

Insurance Coverages Extraordinary

Geared to Sales Promotion

Agency Company—IN FACT

Now is the time to Investigate

Automobile — Liability — Burglary — Glass — Specials
Inland Marine — Fire & Allied Lines

GREETINGS

TO THE

MICHIGAN AGENTS

BEST WISHES FOR
FUTURE WELFARE

~

Wolverine Insurance Co.

Lansing, Mich.

COMPLIMENTS OF
FLINT ASSOCIATION
OF INSURANCE AGENTS

CLYDE B. SMITH
Insurance

Lansing, Michigan

MAN produced the modern automobile, sleek, streamlined and powerful. Controlled it contributes comfort, pleasure, profit and speed to modern living. Escaped from its driver's control it becomes a ravening monster with gleaming eyes and slavered jaws, prowling the nation's highways, maiming, torturing and destroying.

Laws and traffic regulations, aimed to protect our people from the cars they drive, have been passed and faithfully enforced. Safer cars equipped with every known safety device have been produced. But the slaughter continues.

At last all are agreed that the responsibility for safe driving must be pinned on the driver and not on the vehicle. As the first step in recognition of that responsibility, **LOYALTY GROUP** agents are equipped to help automobile owners and drivers provide intelligent insurance programs.

Insurance cannot prevent accidents, restore life, or replace severed limbs. But it can pay for material damages and assume the burden of medical and hospital expenses, loss of earning power, legal fees and damage suits.

LOYALTY GROUP, with its nation-wide facilities, stands ready to help you provide adequate insurance programs for your clients.

THE MONSTER



Western Department
844 Rush St.
Chicago, Illinois

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
Milwaukee Mechanics' Insurance Company

The Concordia Fire Insurance Co. of Milwaukee
Royal Plate Glass & General Ins. Co. of Canada
The Metropolitan Casualty Ins. Co. of N. Y.
Commercial Casualty Insurance Company

HOME OFFICE
10 Park Place
Newark, New Jersey

Foreign Department
111 John St.
New York, New York

Canadian Departments
461 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.

FIRE · MARINE · CASUALTY · SURETY

Loyalty Group
INSURANCE

The NATIONAL UNDERWRITER

September 18, 1941

CASUALTY AND SURETY SECTION

Page Twenty-one

Aero Underwriters Brings Out First Aviation Manual

Loose-Leaf Supplements Will Keep 100-Page Book Up to Date

NEW YORK—Aero Insurance Underwriters has brought out the first aviation manual, a 100-page pocket-size loose-leaf book designed to supply in compact form all the essential information an agent needs to go out and write an aviation risk. While much like an automobile or fire manual the rates are advisory and subject to change in keeping with the rapid changes which are still inherent in aviation itself, Manager G. L. Lloyd pointed out in the announcement.

Contains Five Sections

A record will be kept of each recipient of the manual and supplementary information will be sent out to keep producers posted on new developments. There are five sections and a very complete index. The sections deal with general information, hull coverages, liability, personal accident, and engineering.

Gives All List Prices

A special feature of the manual is that the engineering section gives complete information on list prices of all airplanes, not only on new ships but the new list prices on used models. It is important to have the list price in insuring a used plane, as the rate is higher than it would be on a new ship having the same value. This is due to the fact that a partial loss costs the insurer just as much on an old plane as on a new one of the same type but the amount of premium would be based on a lower value.

The general information section covers the scope of aviation insurance, definitions of the different coverages, prospects for the coverages and other data. It also includes the names of the companies in the Aero group and the addresses of and territories covered by the home office and the three branches.

Result of Year's Work

The hull section describes the rating method, the various hull coverages, while the liability section and the accident section do the same for these coverages.

The manual is the result of more than a year's work. It has been checked over by home office underwriters of companies which are members of the Aero group and by Aero's branch offices. While it is still necessary for the agent to write in to get the exact rate in any specific case he can at least know exactly what coverage is involved and has some idea how to go about asking for information on which rates will be based.

Discuss Proposed Assigned Risk Plan

Agents Brokers and New York Department Work on Final Draft

NEW YORK—Representatives of agents and brokers associations met with New York department officials this week to go over the final draft of assigned risk proposal drawn up by the joint committee of stock and mutual carriers. It was a closed meeting, no company or bureau men being invited to attend.

While no statement was issued following the meeting, it is understood that the producers' representatives objected to the plan on the ground of paying less than the full scale of commissions but that the department's attitude was that the assigned risk plan involves a certain amount of concession on the part of all concerned. It was pointed out that it was quite a concession for the mutuals to agree to charge the same rates and pay the same commissions as the stock companies.

Scale of Charges

Other objections of the producers to the proposed plan were brought up but they were matters of detail and while the plan might be modified so as to include some of the suggested alternatives it would not alter the proposal's essentials.

The proposal follows closely the system used in New Hampshire, prototype of the New York law, and in other states following the New Hampshire model. Assured will be charged 115 percent of the manual rate for any vehicle except long-haul trucks, which will be charged 110 percent. Commissions are to be 5 percent on long-haul trucks and 10 percent on all other vehicles. These rates and commissions will be the same for all carriers, whether stock or mutual.

Financial Responsibility Risks

Motorists who are under the assigned risk plan and who are also compelled to furnish certificates of financial responsibility when the new law goes into effect Jan. 1 will have to pay the specified surcharges of 10, 25 or 50 percent for certificates, in addition to the higher rate applicable to those on the assigned risk basis. However, because the new standard liability policy eliminates a number of the exclusions by which the regular policy differed from the "absolute" policy required in connection with financial responsibility that there is some question whether this level of surcharges is justified.

Since the new financial responsibility law makes it mandatory for a motorist to whom it applies to continue his insurance for as long as he operates a car, it is probable that there will be some revamping of the surcharge rating plan, which is based on the existing financial responsibility law requirement of three years from the time the certificate is first required.

A detail in the assigned risk setup that will be taken care of without difficulty by legislative amendment is

Market for Title Reinsurance

Prompted by an answer to an inquiry regarding the market for reinsurance for title companies that was printed in THE NATIONAL UNDERWRITER a few weeks ago, we have received two communications on the subject. The Holborn Agency Corporation of New York, reinsurance intermediaries, states that it has placed such reinsurance and has a market. Then there has been received from Edward J. Eisenman, president of Kansas City Title Insurance Company, a statement that it has just concluded an arrangement with a title company in another state. The reinsurance riders will be attached at the home of the Kansas City company so that it will not be necessary for the Kansas City title company to qualify in the other state. Mr. Eisenman declares that his company may make such underwriting arrangements with other title companies.

Prefer to Split Line

"Title companies," Mr. Eisenman states, "do purchase reinsurance from other title companies on some risks; but the usual practice is, where the risk is larger than the originating company desires to assume, (or, in some cases, larger than the originating company can write under the laws of its home state) to divide the risk between two or more companies, each writing its own separate policy for its proportionate part of the total amount, with appropriate provisions governing the payment of any loss in accordance with the division of liability. In most of these cases, the originating company alone is liable for the loss, if any, up to a stated amount, and, for any excess over such stated amount, the originating company and the participating companies are, respectively, liable only for their own proportionate part of such excess. We have participated in many of these cases.

Exceptional Cases

"There are also cases where a title insurance company of small capital, but with a good plant and legal staff, can and does, effect an arrangement whereby a title insurance company of sufficient financial strength will attach its reinsurance agreement.

"Insofar as an excess coverage treaty between any number of title companies is concerned, this matter has been explored pretty thoroughly. I was a member of a committee appointed some years ago, about 1935, all the members of which were officers of title insurance companies who had expressed themselves as willing to enter into a treaty of excess reinsurance coverage with each other. My recollection is that there were seven or more companies represented. We spent much time in correspondence and in holding one two-day special meeting in Chicago, all extending over a period of more than two years, after which the entire matter was dropped as not being feasible."

broadening the law sufficiently to permit a company, on assigned risk cases only, to pay a commission to an agent who is not a representative of that company. This difficulty does not arise with brokers, who are permitted to receive commission from any company.

Graded Costs Are Simplest Answer to the Mutual Menace

Maryland Casualty President Calls for Immediate Action

Graded costs on a basis equitable for agents and companies alike are the simplest way of meeting increasing direct-writing mutual competition, and the demands of large buyers who maintain their own insurance department, Edward



EDWARD J. BOND, JR.

J. Bond, Jr., president of Maryland Casualty, declared in a talk before the Minnesota Association of Insurance Agents at Rochester. Mr. Bond declared that increasing competition of the mutuals will inevitably force the stock companies to take additional steps to protect themselves and their agents. The time has come, he said, when agents and companies must face the issue squarely and do more than has yet been done to overcome this competition.

Graded costs offer the solution with the breaking point fixed at a figure which will give both producers and companies enough dollars to enable them to profitably handle the run-of-the-mill risks. When this is done, he said, both agents and stock companies will, with their initiative and enterprise, again come into their own.

Some Sacrifice Necessary

"Please understand that I am not unmindful of the fact that what I think should be done will hurt in some cases in the beginning," he said, "but I honestly believe that the alternative is the continued and increasing loss of your best and most profitable accounts. On the other hand, if we can take meas-

(CONTINUED ON PAGE 28)

Mut'l Benefit H. & A., United Benefit Life Agents Gathering

President Criss Takes Issue with Pessimists on Business After War End

BEDFORD SPRINGS, PA.—The first eastern convention of Mutual Benefit Health & Accident and United Benefit Life, companion companies, here, was attended by 300 agents and managers. Every office on the eastern seaboard was represented. Officials from the home of-



DR. C. C. CRISS

ice attended, headed by Dr. C. C. Criss, president.

The Friday session in charge of D. S. Walker, Philadelphia manager, was headed by D. M. Brovan, San Francisco manager, who paid tribute to President Criss and his charming wife Mabel Criss for their abilities to organize and plan so the company now has close to \$25,000,000 in premium income.

Tells of Honor Clubs

Manager Helmbrecht, Buffalo, spoke of the Honor Clubs, membership in which is an acknowledgment of achievement and success. To attain membership, he said, requires three attributes: Complete knowledge of the business, a complete sales kit, and motivation, with personal sacrifice and vigorous determination to succeed. He urged setting the Four Hundred Honor Club as a goal.

L. R. Quinn spoke as a representative of National Association of Manufacturers, outlining world conditions and the job ahead.

Vice-president F. S. Finch opened the session Saturday, with R. F. Sheehan, Newark manager, as chairman. Mr. Finch told the history of United Benefit Life. This company had been organized to start business Dec. 1, 1926, but due to an applicant having a change of age Nov. 26, the starting date was moved back. He advocated selling insurance as personal property, pointing out in December, 1940, the average wage was \$22 a week but in August, 1941, it was \$31, with many men earning \$65 to \$75 weekly in defense plants. These are the best prospects today. The tougher selling is in the higher income brackets.

Hold "Information Please"

An "Information Please" program, headed by Floyd Holdren, manager at Cleveland, was held, including Vice-

Officers Chosen at Claim Group Rally

ATLANTIC CITY — Godfrey M. Day, Connecticut General, was chosen president of the International Claim Association at the annual meeting. Other new officers are: vice-president, Clark Butterfield, National Casualty; secretary, Louis L. Graham, Business Men's Assurance, and treasurer, F. L. Templeman, Maryland Casualty. The executive committee consists of Willard Hein, State Mutual, chairman; P. J. O'Connor, General American Life, and R. D. Taylor, Sun Life of Canada.

P. J. O'Connor presided and was presented a gavel on behalf of the association by Mr. Hein. At a formal meeting of the executive committee, Secretary Graham presented M. Barratt Walker, U. S. F. & G., president in 1914-15, an engraved card extending a lifetime invitation to attend all future meetings.

presidents Sam Carroll and Finch and Agents S. I. Reinish and Harold Goodman.

Con McCabe, manager of Mutual Life of New York in Wilkes-Barre, entertained with his grand stories.

The "Government Employees Benefit Association" round table was conducted by the Washington chairman, Joseph Felfiore.

Vice-president Carroll was toastmaster at the banquet. A. W. Heurtz, president of the Managers Association spoke on opportunities. W. V. Gormley, secretary to the commissioner of Massachusetts, spoke on the responsibility of an agent to his company and the public. When public attitude is not favorable it is the agent's fault, he said. This is due to the agent not knowing his contracts thoroughly and not presenting them correctly.

President Criss Comments

President Criss remained in the background throughout the convention but acknowledged an ovation by stating he was glad to be judged by his sales force. He said the success of the companies was not due to any one group although the larger increase in business came from eastern territory. He expressed pride in the fact Mutual Benefit is the largest accident and health institution in the world. S. I. Reinish, Philadelphia, who wrote \$586,294 ordinary in the first eight months, was presented the President's Cup. August was the largest month in the company's history. Dr. Criss said. He said people are wondering what conditions will be following the war. For five of the 10 years following world war I there was, he said, the greatest prosperity in history. When the present war ends the United States will be the most outstanding country in the world, for it will then be first in maintaining the standards which have never gone backwards.

Takes Issue with Pessimists

He denied the truth of the contention held in some quarters that there will be sharp recession in the insurance business after the present defense emergency has passed.

"After the present emergency," he said, "there will be no great falling off as there was at the end of the last war in November, 1918. At that time we destroyed our implements, sank our ships and stopped making munitions. When this present war is over with, the United States will be the most outstanding nation in the world. It will continue making planes and munitions to keep its position. In the unemployment of 1920, our business was five times what it was in the war year of 1918. This was no different, no worse. We have no need to worry."

"The very foundation on which these companies have been built are stepping stones to greater success. In the epidemic of 1918 all insurance companies were alarmed. People with the flu

(CONTINUED ON PAGE 28)

Kickoff Meeting Is Held at Kansas City

KANSAS CITY—President C. E. Dalrymple defined objectives of the National Association of Accident & Health Underwriters at a special meeting of the Kansas City association, in discussing plans for the National association's 1942 mid-year meeting to be held here next Jan. 26-28.

George Dyer, Jr., first vice-president of the national body, St. Louis, also was present to assist local accident and health underwriters in their preliminary convention planning. "The Pad and Pencil Before the Prospect," a panel discussion led by George Swaney, Washington National, and a group of 75 local underwriters, completed the program at this kick-off meeting.

M. Z. Abell, Business Men's Assurance, president, presided and George Swaney, Marion Houston agency of Washington National, was discussion chairman. He is a successful producer who is an exponent of this technique, and outlined his methods. R. A. Ridgway, president National Protective, former very successful agent, said he encourages the procedure upon his agents. Robert Sanders, for years leading life producer of Business Men's Assurance, now district manager San Diego, Calif., told his method.

Sees Attacks on N. Y. Law

Warning against attempts to weaken New York's new financial responsibility law which goes into effect Jan. 1, Crandall Melvin, Syracuse attorney, told the Federation of Bar Associations of Western New York, meeting at Rochester, that opponents are already working to take the teeth out of the law.

He said finance companies are banding together to remove the ban on re-registering cars involved in accidents covered by the law on which judgment has not been paid. He said that 62 percent of cars in the state are financed. He also decried a proposal to postpone suspension of the operator's license until after judgment.

Standard Accident Plans Study Courses

Standard Accident is again offering to home office employees study courses covering the general principles of casualty insurance and suretyship.

Officers and department heads of the company will give lectures. William Wickham of the legal department is director of the casualty course. The surety course will be conducted by Gerriet Dewers, superintendent of the depository and public official division in the bonding department.

ACCIDENT AND HEALTH

New Committees of H. & A. Conference Are Announced

John M. Powell, Loyal Protective Life, president Health & Accident Underwriters Conference, has announced his committee appointments. There are two new committees this year. A blanks committee with L. H. McVity, Business Men's Assurance, as chairman, has been appointed to study annual statement blanks. The non-cancellable committee is a new standing committee replacing the old special committee on non-cancellable reserves. J. H. Miller, Monarch Life, is chairman. The home office management committee headed by E. A. McCord, Illinois Mutual Casualty, will have charge of the home office management session at the annual meeting and the consideration of problems on home office management of member companies.

Chairmen of other standing committees are: agency management, Rex Edmunds, Fidelity Health & Accident Mutual; education, E. J. Faulkner, Woodmen Accident; group, George McDowell, Commercial Casualty; legal, R. J. Wetterlund, Washington National; legislative, H. H. Leavey, California-Western States Life; manual, Miss C. T. O'Connell, North American Accident; membership, D. G. Trone, Indiana Travelers; memorials, Loring Elliott, Physicians Casualty; public relations, L. D. Cavanaugh, Federal Life; underwriting, C. O. Pauley, Great Northern Life.

There is also an advisory committee on licensing and qualification of agents, composed of Harold R. Gordon, chairman; George Manzelmann, North American Accident; J. R. Garrett, National Casualty; Frank L. Harrington, Massachusetts Protective, and P. G. Garey, Commercial Casualty.

The executive committee of the conference will hold a meeting in Chicago Oct. 7, at the time of the annual meeting of the American Life Convention. The time and place for the next annual meeting probably will be decided at that time.

Record Attendance at N. A. Accident Conference

A record attendance of 168 registered at the eastern conference of North American Accident at Pocono Manor Inn near Wilkes-Barre, Pa. Among the large delegation on hand from the home

office were President A. E. Forrest; Vice-presidents Edward St. Clair and George F. Manzelmann; Secretary A. E. Forrest, Jr., and Assistant Secretary M. E. Smith. The emphasis of the meeting was on sales and how to fit the mood of the times to selling A. & H.

Revenaugh A. & H. Division Head of Engelhard Agency

Charles S. Revenaugh has been appointed manager of the new accident and health department that has been opened by the Engelhard & Co. agency of Chicago. The agency found it necessary to establish the accident and health department due to the increased demand for this type of coverage.

Mr. Revenaugh, who is second vice-president of the Chicago Accident & Health Association, has had 17 years' insurance experience. Before going with Engelhard & Co., he was manager of the accident and health department of the Maryland Casualty branch office in Chicago, and previously was a home office representative of Continental Casualty, doing much traveling in accident and health production work.

Would Regulate Hospital Associations in Canada

Regulation of hospital and medical service associations was the principal question presented in the report of Superintendent McNairn of Ontario, chairman of the accident and sickness insurance committee of the Association of Superintendents of Insurance of Canada, at its annual meeting this week in Toronto. The committee reports that the business transacted by such associations seems unquestionably to be a form of insurance. However, some question has been raised as to whether they should be subject to regulations by insurance departments or by the provincial departments of health.

As a result of study recently given the matter in Ontario, it is recommended that an act for supervision or regulation of such association should provide for registration, inspection and general supervision by the insurance department, particularly in regard to financial solvency, and should also include a provision requiring approval by the department of health of the medical, hospital and other similar benefits provided in their contracts.

On the matter of standardization of

accident and sickness policy forms, inasmuch as considerable progress has been made in regard to sickness insurance, the committee recommends that the companies be asked to continue the work of standardization with respect to accident insurance contracts, inasmuch as sickness insurance is usually sold with accident insurance.

U. of Iowa Hospitalization Plan Is Established

IOWA CITY, IA.—A cooperative hospital insurance setup that will bear watching by insurance companies has been established by the University of Iowa with students paying for the costs under a revised tuition schedule.

Under the plan, each of the 6,000 students is required to pay additional tuition costs which include \$1.50 for hospital insurance fund. This fund insures the student his physical misfortunes will cost him nothing, except a charge for a residence call by a student health physician which is canceled should removal to the hospital be necessary.

Students with minor ailments will receive treatment without charge at the student health department offices and if hospital care is necessary, they will be admitted not to exceed 30 days in an academic year at free cost, service of physicians and not to exceed \$25 in one year special services, including x-ray, radium therapy, operating room, special drugs, blood transfusions and other special treatments.

The school is believed to be one of the first to set up a cooperative fund for hospital care. It is made possible through use of the university hospital here.

Fowler to Southern N. Y.

C. Herbert Fowler, for the past seven years New Hampshire general agent of Monarch Life, with offices at Manchester, has been transferred to the southern New York agency with offices at White Plains, N. Y. Mr. Fowler opened up the company's first office in New Hampshire in November, 1934, and has built one of the largest accident and health agencies in the state, with 15 full-time representatives. The agency has been one of Monarch's leaders in accident and health for several years. Mr. Fowler was instrumental in organizing the New Hampshire Accident & Health Association and served as its president until last June.

The New Hampshire agency will be divided into two parts. W. F. Wood, Berlin, N. H., is promoted to general agent in charge of the northern section and Ray Plummer of Laconia becomes general agent at Manchester.

Fishback Vice-chairman of Group

Clyde E. Dalrymple, president National Association of Accident & Health Underwriters, announced appointment of H. O. Fishback, Jr., as vice-chairman of the regional directors committee for the Pacific Coast zone.

Mr. Fishback, assistant vice-president of Northern Life of Seattle, for years has been active in the national organization. He has had years of experience in the accident and health field, and is in charge of this department's production for Northern Life.

Pittsburgh Club Lays Plans

PITTSBURGH—Plans for the coming year were outlined at the first fall meeting of the Pittsburgh Accident & Health Association. There will be sales congresses, demonstration interviews by officers, and guest speakers. Cooperation with the National Accident & Health Association in making members of the insurance fraternity association conscious was pledged. R. F. Roberts,

president, is assistant regional director of the National association. Plans are being laid to form associations in communities surrounding Pittsburgh. A nominating committee was appointed to draft a slate of officers for the election in December. R. R. Dodson, General American, is chairman.

B. M. A. Regional at Gearhart, Ore.

Business Men's Assurance held its northwest round table at Gearhart, Ore., for two days. President W. T. Grant attended from the home office, and from San Francisco Vice-President J. P. Baldwin. Managers E. M. Ward, Oregon, and C. W. Rogers, Washington, were hosts. Chief subjects discussed were the new "pocket salesman" and complete income protection service. Mr. Grant spoke of opportunities before salesmen under present conditions. B. M. A., he said, has seven consecutive all-time high months and indications are it will add to this record in the remainder of the year. Messrs. Grant and Baldwin will go to San Francisco and Los Angeles where other meetings will be held.

Claim Men Hear Prosecutor

LOS ANGELES—Assistant District Attorney Joseph Dunn spoke at the opening meeting of the Los Angeles Life & Accident Claims Association. He said the attitude of insurance companies and claims men often is of great value to the prosecutor's office.

ASSOCIATIONS

Adjusters Fight Some Points in California Bar Report

LOS ANGELES—At a meeting of the Casualty Insurance Adjusters Association of Southern California the report of the California State Bar's committee on adjusters, which is ready for presentation at the meeting of the bar at Yosemite in a few days, was discussed.

The committee recommended seven points for the bar to adopt. The adjusters approved the first four, decided to

oppose the fifth and sixth and took no action on the last one. The four approved have to do with the California Conference Committee, which now is functioning, and the practice of law by lay adjusters to be in accord with the code of the judicial council.

The two opposed would require company counsel, when representing minors in claims, to file complete disclosures of their relations with the court, and the one recommending that the committee on state bar activities and the committee on public relations conduct an educational campaign advising the public of the advantage of securing independent attorneys and adjusters. The other was one relating to internal affairs of the bar in which the adjusters had no interest.

It also was brought out that under new legislation effective Sept. 13, physicians who treat epilepsy cases are required to make report of such cases to the city, county and state health authorities, so that the sufferers may be certified to the motor vehicle department to enable the latter to determine their fitness to hold automobile licenses.

Detroit Group Resumes Meetings

DETROIT—Surety Association of Michigan launched its fall and winter series of monthly meetings with President James Fenwick, assistant manager, U. S. F. & G., presiding. Harold McPhee, newly appointed manager of London & Lancashire Indemnity, was welcomed as a new member.

Elect at Springfield, Mass.

SPRINGFIELD, MASS.—The Springfield Board of Fire & Casualty Underwriters has elected Robert A. Baldwin, Jr., president; A. W. Fuller, vice-president; D. G. Webster, treasurer, and Harold Oppenheimer, secretary. F. J. Johnson, T. C. Cassidy and C. B. Bulkeley are members of the executive committee.

Explains New Trial Rules

New pre-trial procedure in Allegheny county (Pa.) court of common pleas was explained by Judge Smith, secretary of the board of judges, at a meeting of the Surety Association of Pittsburgh. It is revolutionary in abolishing weekly trial lists. A system of appointing impartial

General American Honors Barrett



Robert J. Barrett, supervisor of accident and health sales, was honored by General American Life agents in a one day production drive in which 200 accident and health applications representing \$7,025 in annual premiums were written, establishing an all-time one-day company production record. Members of the accident and health depart-

ment are shown above presenting Mr. Barrett with the applications written in his honor.

Left to right: A. J. Bockwinkel, accident claims; Mr. Barrett; William W. Cole, accident underwriter; Herbert O. Ude, accident accounting, and Theodore Sanders, assistant accident underwriter.

experts in cases where counsel agrees to it will be tried. J. M. Magee, counsel Pittsburgh branch American Surety, introduced the speaker. A joint Christmas party will be held in cooperation with the Casualty Association. A. C. Supplee, U. S. F. & G., president, appointed E. D. Sweet, Massachusetts Bonding, vice-president of both associations, to work out arrangements.

Des Moines Club Meets Sept. 22

H. W. Nixon, Maryland Casualty, president Des Moines Casualty & Surety Club, announced appointment of nominating and auditing committees for the annual meeting to be held Sept. 22. K. G. Ellsworth, Aetna Casualty, is nominating chairman.

Oregon Adjusters Start Season

The Oregon Casualty Adjusters Association resumed meetings. New officers are: President, R. L. Gresham, Fireman's Fund; vice-president, Peter Brooks, attorney; and secretary-treasurer, Cliff Beckett, attorney. A study course is being planned.

COMPANIES

U. S. F. & G. Issues New Auto Safety Folder for N. Y.

United States Fidelity & Guaranty, which has for several years printed for a number of states pamphlets for use by the motor vehicle department in connection with automobile accident prevention, has just revised its pamphlet for New York. It has been designed to tie in with the new safety-responsibility act effective Jan. 1.

U. S. F. & G. folders are gotten up in an attractive manner and tell an accident prevention story simply and effectively. They call attention to the most frequent bad habits of driving which cause accidents, and in the case of the New York issue, bring in the safety-responsibility act.

Carroll E. Mealey, commissioner of motor vehicles for New York, has indicated his department plans to send the folders to all of the defense industries in the state in addition to regular channels of distribution. The folder carries a message from Mr. Mealey to drivers.

Proud of Their Record

The Ocean Accident and Columbia Casualty are taking great pride in the increased surplus shown in the examination by the New York, Ohio, Louisiana, Indiana and California departments more than the companies themselves filed in their annual statements. For instance, the Ocean showed an increase of \$423,210 over the amount the company itself gave in its annual statement. The departments increased the policyholders surplus to \$6,094,321. The Columbia Casualty showed an increase of \$234,686 over what the company itself showed in its filed statement, its policyholders surplus being \$4,150,521. Both companies have a high rating.

Beneficial in Two More States

The Beneficial Casualty of Los Angeles has been licensed in Utah and Washington. It also has applied for admission to Oregon.

It was organized last year with a \$155,000 capital and is licensed in California to write disability and automobile insurance.

Wausau Companies' New Building

WAUSAU, WIS.—The Employers' Mutual Liability and affiliated fire company held "open house" marking the formal opening of the new home office recently completed at a cost of \$600,000.

Investing in Defense Bonds

KANSAS CITY—Local insurance companies have purchased sizeable

The best way to increase your casualty premiums is to read The Casualty Insuror.

amounts of defense bonds as investment for surplus funds. Central Surety has bought \$50,000, Central Surety Fire \$25,000, Employers Reinsurance \$50,000,

Western Fire and Western Casualty \$100,00, Postal Life & Casualty \$50,000, and Underwriters Exchange and Consolidated Underwriters \$100,000.

CHANGES IN CASUALTY FIELD

American Casualty in Philadelphia Changes

A series of promotions, in the American Casualty's Philadelphia office is headed by the appointment of N. D. C. Pitcher as resident vice-president in charge of all operations.

Andrew Lawson is now assistant manager and has charge of underwriting while Samuel Black is manager of the claim department. All three men have been with the company for several years. Paul Gartside will continue as field representative in charge of outlying territories.

Mr. Pitcher has had many years of casualty experience including work in claim, underwriting and production. After completing his education in Trinity College, Hartford, he joined the Liberty Mutual home office staff. After learning the practical ground work there he was transferred to Newark. Later he became associated with the Hartford Accident at Boston and later at the home office. He has been with the American Casualty for three years.

The American Casualty has recently increased its capital and surplus and entered into the bonding line. Under the management of President H. G. Evans, it has constantly broadened its underwriting facilities.

Chew Named Special Agent

Fred V. Chew, Jr., has been appointed special agent of the Aetna Casualty. He

has been assistant manager of the Trinity-Universal at Indianapolis for the last year. He is a graduate of Culver Military Academy and of Indiana University business school, with which his father had been previously connected as a professor on insurance subjects. Mr. Chew, Jr., also was statistical supervisor and underwriter for the Mid-American of Chicago for a year and had local agency experience in the family agency at Petersburg, Ind. He has taken the casualty course of the Insurance Institute.

Harmon Nw. Mutual Manager

SEATTLE—Chauncey S. Harmon, claims examiner for Fidelity & Casualty of New York has resigned to accept a position as inter-mountain state manager for Northwestern Mutual Fire and Northwestern Casualty.

In Field for Standard Accident

Milton E. Burt has been made special agent for Standard Accident at Buffalo, N. Y. Mr. Burt has covered central New York for Hardware Mutual Casualty for the past several years and prior to this had operated his own agency at Elmira, N. Y. He attended Penn State and was for six years connected with the Carroll Keeton local agency at Elmira.

Sell more accident with "Why Disability Insurance" booklets. 100 copies \$2. Order from National Underwriter, 175 W. Jackson Blvd., Chicago.

FIDELITY AND SURETY

Rules on Bail Bond Question

All undertakings of bail issued by surety companies must state the premium charged, it was held in an opinion by the California attorney-general rendered to Commissioner Caminetti. Persons other than bail licensees or admitted surety carriers are not permitted to charge for executing undertakings of bail. If such charge is made, the person making the charge must qualify as a bail bond broker under the law and execute and deliver to the prisoner for whom the bail is furnished a document or statement setting forth the consideration charged. The commissioner may require by rule that bail licensees keep at their license headquarters complete books and records covering all business transacted by them under authority of their license, these to be subject to examination by the commissioner.

When the situation is cleared up and licenses issue to those able to qualify, the commissioner plans to set up a self-governing body with jurisdiction similar to that now in operation for surplus line brokers and having a representative of the department. All bail bond transactions would be recorded and checked.

Iowa Opinion on Beer Bonds

DES MOINES—An opinion on Iowa beer bonds was handed down by the Iowa attorney general's office clarifying the new beer bond law passed by the last legislature. The opinion claimed proceedings to forfeit the new \$500 Class B and Class C beer permits cannot be started until the permit has been canceled.

County Board Must Pay Cost

LINCOLN, NEB.—Construing the provisions of L. B. 255, passed by the last legislature and now a law, Attorney-general Johnson holds that while these provide that the county board may pay

the premium for employees or deputies of county officers who are required to give surety bonds, the courts have repeatedly held that "may" means "must." Hence, he says, such payment is mandatory upon the board not to exceed 1 percent of the penalty in the bond so executed. Several county boards have been proceeding on the theory the matter was discretionary with them, and declined payment where they thought the bond required by law from deputy county treasurers was exorbitant.

Rule on County Officials Bonds

The prosecuting attorney of Franklin county, Ohio, notified county commissioners each county office-holder must select his own bondsmen and the commission must pay the bill. It is said that an insurance agent had criticized the county commissioners for not taking bids on blanket bonds covering all department heads. The commissioners announced that they saved \$550 by paying for the county treasurer's bond on a four-year basis.

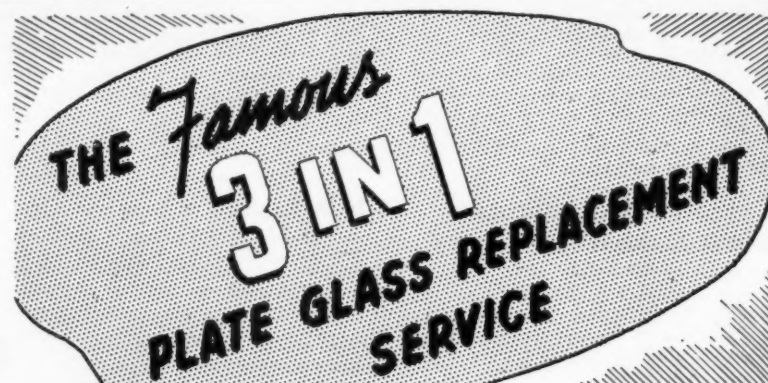
Companies on Canal Zone Bond

Fidelity & Deposit and National Surety, through their Los Angeles branch offices, are the originating companies on the bond for the low bid of \$6,880,000 covering a contract for furnishing aggregates for the Panama Canal Zone. The contract has not yet been awarded.

Bids for the supply job were opened in Washington Sept. 10. Low bidder was the Nevada Constructors, Inc. Other companies are participating on the bond. Ray O. Wilson, Los Angeles, is the broker on the business.

Caminetti's Order on Bonds

Surety companies operating in California were notified by Commissioner Caminetti in line with the attorney-gen-



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erals opinion all surety bonds issued on or after Oct. 1 must state the entire consideration or premium paid therefor, which statement, if not contained in the text of the bond, shall be attached by endorsement or stamped thereon prior to delivery of the bond.

Am. Bonding Names N. Y. Agency

American Bonding has named Hoey, Ellison & Frost as general agents in New York City for fidelity and surety bonds. The general agency writes over \$2,000,000 in premiums a year.

COMPENSATION

Utah Upholds 10% Addition for Minor Dependents

SALT LAKE CITY—The state supreme court has upheld a ruling of the industrial commission in granting an additional award of 10 percent for each minor child. The court also held that granting the basic award does not depend on existence of an adult dependent. The case was that of Martinez vs. the Industrial Commission, the Silver King Coalition Mines and Continental Casualty. The widow had been divorced and remarried before Martinez died as a result of injuries suffered on the job.

The commission found that two minor children were the only dependents and granted compensation of \$16 a week, plus 10 percent for each child, or \$19.20 per week. Appellants contended that where the minors are the only dependents there should be no reason to increase the amount of compensation for their benefit since they would get all of the basic award.

The court pointed out that the Utah workmen's compensation law is the only one of its kind. It stated that the legislature may not have been aware that the language it used would result in giving to a sole minor dependent the same amount that one minor and an adult would receive, or it may have concluded that a lone dependent who was a minor might require adult attention and give the 10 percent in such case as well as in the case where there was also a dependent parent.

New Ruling in Wisconsin

For the first time a Wisconsin court has affirmed the right of an employee petitioner before the Wisconsin state industrial commission to examine adversely witnesses for the employer in preparation of the petitioner's case under the compensation act. Circuit Judge Hoppmann in Dane county court at Madison so ruled in connection with the claim of E. C. Preisinger, employee of Armour & Co.

To Buy \$776,000 of Coverage

BARTOW, FLA.—The county school board will buy \$776,000 workmen's compensation cover, for approximately 800 employees of the county school system. Teachers and office workers are covered for \$705,000, bus drivers \$39,000, janitors and other employees \$32,000.

PERSONALS

J. P. Leatherman of Lansing, Mich., agency manager for the Continental Casualty and Continental Assurance, who has been on the Pacific Coast for several weeks, has returned to his office.

G. C. Gebhardt, claim examiner in the liability claim department of Aetna Casualty, marked his 25th anniversary with the company. He is a former historian and secretary of the Aetna Life Men's Club.

A. A. Clark, manager of the bonding department in the Detroit branch of Standard Accident, has now returned to

work after having recovered from a broken collarbone, suffered when he was thrown from a horse.

M. P. Jefferys, Toledo, district manager Michigan Mutual Liability, has received word his son John was awarded a scholarship in Michigan College of Mines & Technology.

C. R. Miller, chairman of Fidelity & Deposit, is touring the Pacific Northwest in company with C. D. Porter, Portland, Ore., branch manager.

Walter R. Whitford, superintendent of the fidelity and surety department of the

Los Angeles branch office of Hartford Accident since 1925 celebrated his 25th anniversary with the company.

James R. McCue, 31, auditor of Royal Indemnity, died in an Atlanta hotel. He formerly lived in Washington and St. Paul, and had been in Atlanta only a short time.

DEATHS

G. I. Cloutier, for many years special agent of American Surety in Detroit,

died at his home in Detroit. He retired two years ago.

Emory M. Canwright, 48, Philadelphia superintendent court bond department, Fidelity & Deposit, was killed in an automobile accident and Mrs. Canwright and her brother critically injured.

George W. Senn, 56, president of George W. Senn Insurance Agency, Toledo, died, in St. Vincent's hospital after a week's illness of a heart ailment. He was a past president of the Toledo Association of Insurance Agents, and past president of Lions. His son, W. G.

 FIDELITY	 SURETY
 FORGERY	 AUTOMOBILE LIABILITY
 ELEVATOR AND GENERAL LIABILITY	 HOLD-UP
 AVIATION	 PLATE GLASS
 RESIDENCE AND MERCANTILE BURGLARY	 BLANKET BONDS FOR FINANCIAL INSTITUTIONS

A TURN FOR THE WORSE

More than one business has taken a turn for the worse due to an employee's defalcation.

The United States Guarantee Company offers one sure solution to this, and practically all other fidelity problems.

For over 50 years, many of America's leading corporations have used United States Guarantee Fidelity Bonds. These bonds, which cover practically every contingency, are tailored to individual requirements.

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Senn, and son-in-law, C. F. Warnke, were associated with him in the agency.

Importance of N. Y. Auto Law Stressed by Official

ALBANY—Carroll E. Mealey, motor vehicle commissioner of New York, discussed the new safety responsibility law, the address being by the National Broadcasting Company over two stations. Because of the importance of the law to every New Yorker, and because the law has teeth in it, Mr. Mealey is using every opportunity between now and Jan. 1 to reach citizens of the state with a broad educational program.

Mr. Mealey stressed the fact that if a person is involved in an accident resulting in death or injury or property damage of more than \$25, the person must deposit security for damages. As commissioner of motor vehicles, he will determine this amount, which may run \$6,000 for an accident involving more than one person and property damage or \$11,000 for an accident involving more than one person and property damage. Unless the person has insurance, he would have to deposit that amount with the commissioner.

Not Limited to New York

Operation of the law is not limited to New York state. If a resident of New York becomes involved in an accident in another state, if convicted or has a judgment against him in any other state or Canada, he may be proceeded against in the same manner as if the accident occurred in New York.

The need of the law is strongly indicated by records January to July of this year, he said. In that period New York had 40,293 accidents, 1,175 of them fatal, compared with 39,153 and 1,113.

Commercial Standard Closes Office at Chicago

The northern department office of Commercial Standard at Chicago has been closed. Other than an announcement by Manager K. E. Carpenter that no business is being accepted or renewed, no further explanation for the move is forthcoming.

N. Y. U. Gives Safety Fellowships

Fellowships and scholarships totaling \$10,000 for advanced study in safety education at New York University have been presented 23 men and women from the \$40,000 grant of the National Conservation Bureau, accident prevention division of the Association of Casualty & Surety Executives. The fellowship holders will matriculate for their doctor's degree in the University's School of Education and the scholarship winners, all teachers in the public schools, will seek master's degrees.

Financed Auto Cover Hot Michigan Topic

(CONTINUED FROM PAGE 17)

matter influencing the placement of insurance in any designated insurance agency or company.

Mr. Burwell recalled that the Michigan legislature in 1939 enacted a measure touching on the general subject of insurance and finance business. Thereafter the insurance department sought to bring about a common working agreement between insurance and finance interests. A final meeting in furtherance of that objective was held in Detroit, May 12, 1941. No voluntary solution materialized so the department determined to inaugurate a program to regulate the business. An opinion was obtained from the attorney-general.

The attorney-general stated that under the 1939 legislation a vendor of an automobile under a retail installment contract has no legal right to direct the purchase of insurance from any particular company or agent; that the retail buyer shall have the right to purchase his own insurance and the vendor cannot legally interfere with that right.

Cab Firm Must Pay \$5,940 Assessment

The insured in a mutual automobile policy in Ohio must pay assessments properly levied against him, and then must take his chances on collecting his loss from the liquidation of the company, according to the Ohio court of appeals in Lloyd vs. Cincinnati Checker Cab Co.

The cab company was insured in the Tower Mutual and on the liquidation of that company was held liable for an assessment of \$5,940. The cab company demanded the right to set off against the assessment \$17,361 which it had itself paid in losses that should have been paid by the insurance company. The court pointed out that the assessment is a liability created by statute, and ruled that it could not be set off against a purely contractual obligation.

The suit was brought by Superintendent Lloyd as liquidator of Tower Mutual. The cab company was held liable for one annual premium, \$5,940. This added to the losses it paid runs the cost for the company so far to \$23,301.

Virginia Permits Covering Passengers in Cars

Under an order entered by the Virginia state corporation commission, medical payment endorsements on automobile insurance policies will cover all passengers carried by private car owners. The exclusion of passengers carried for charge is dropped. This step, requested by the National Bureau of Casualty & Surety Underwriters and Mutual Casualty Rating Bureau was taken to harmonize the medical payments coverage with the liability coverage, since a similar exclusion in the basic policy was eliminated last month. The order is effective Oct. 8 and may be retroactive to Sept. 8.

Ford Sued for \$180,000 in Crash Due to Blowout

BOSTON—Alleging that a defective tire on a new Ford station wagon was responsible for an automobile accident in which one was killed and several injured at Sheffield, Mass., suits totaling \$180,000 have been filed against the Ford Motor Company in the superior court at Pittsfield, Mass. The declarations assert a blowout of the tire caused the vehicle to swerve and crash head on into another car. The executor of the will of Ernest L. Wakefield, the death victim, asks for \$25,000; Mrs. Wakefield, personally seeks \$50,000; William K. Wakefield, a minor, asks \$20,000; Helen Wakefield, a minor, asks \$10,000, and Ann Leach, a passenger, seeks \$75,000.

New Carrier Starting in Cal.

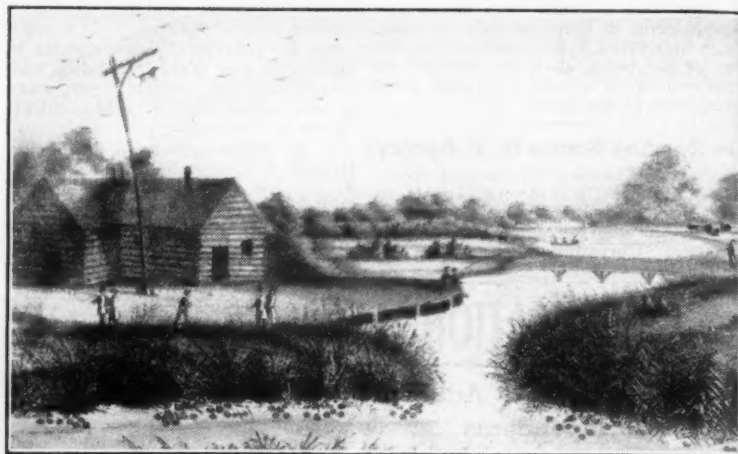
A permit to solicit subscribers was granted by the department to Motorists Underwriters Association, San Francisco, which will be as attorney-in-fact for Motorists Indemnity Exchange, a carrier that plans to write certificated, and sub-standard automobile risks. J. G. Morrow and B. C. Blachley, First Management & Finance Corporation, appear as officers, although it is understood the new organization is a personal undertaking and will not be connected with the finance corporation.

Wilson to New State Farm Post

E. Sherwood Wilson, since 1939 a member of State Farm Mutual Automobile's claim staff, has been made director of public relations for the State Farm Insurance companies in Virginia, Maryland and Delaware. Admitted to the Virginia bar in 1938, he is a graduate of Duke University and attended University of Virginia law school.

That re-establishes the right of the individual buyer to secure his own insurance. Under the circumstances, according to Mr. Burwell, there is little justification

(CONTINUED ON PAGE 29)



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Western Underwriters Association Meeting

(CONTINUED FROM PAGE 3)

of 7.84 percent, windstorm an increase of 90 percent, automobile an increase of 32.38 percent. The following comparison gives an indication of the loss trend:

	Inland Air-	Fire	Wind	Auto	Mar. craft	Total
1940	50,985	35,599	53,272	6,296	43	146,195
1941	46,988	67,625	70,520	6,730	298	192,161

The Underwriters Adjusting reports an over-all increase of approximately 25,000 losses for the same period.

School House Losses

While there have been some large losses in manufacturing plants none has been of outstanding importance. In the last report comment was made on the prevalence of school losses. During the six months period four other heavy losses have occurred, Carrier Mills, Ill., \$30,000; Kingsley, Kan., \$46,000; Mankato, Minn., \$186,000, and St. Elmo, Ill., \$95,000. In no case was there any evidence of arson. The cause can be attributed to poor housekeeping.

Chairman Cashel stated that inquiries with respect to use and occupancy do not indicate any alarming situation up to this time. While there is a slight increase in amount of loss this can be attributed to increased values as a result of from 16 to 24 hour plant operation.

In a recent report the committee reported that through some medium, probably the National Board, an attempt should be made to bring about some agreement with the casualty companies similar to the joint loss clause now in effect relating to public utility properties. The committee is informed that the difficulties arising where there are conflicting coverages involving both fire and casualty are on the increase. The "malicious mischief" endorsement involving machinery breakdown is a case in point. The insuring public, the report says, cannot understand a situation where an assured has purchased proper and sufficient insurance and then when a loss occurs finds himself in the peculiar position of controversy between two classes of companies as to the proper apportionment of loss, resulting in delay in adjustment or conceivably inability to collect his entire loss. The committee recommends that through the proper

channels this matter be given speedy attention.

Concerning automobile losses the report said there is a substantial increase in number resulting primarily from collision, although hail damage has been more prevalent than heretofore. Fire losses were about normal while thefts have shown a slight increase. Some factors affecting adjustments today include the increase of parts, prices and difficulty in obtaining parts both for pleasure cars and trucks. More dealer associations decline to allow discounts on parts and, in fact, some of the most prominent dealers have had more repair work than they can handle. Hence there is more delay in concluding adjustments. In addition labor costs are higher. These conditions are reflected in more cases where claims are reopened than during normal times. Defense projects are causing more anxiety because labor commutes and this has increased the demand for used cars. There is much congested traffic in these areas. These conditions, the report says, will continue in harmony with the growth of the defense activities. Salvage and recoveries under subrogation are on the increase.

Blank Loss Proofs to Agents

The report calls attention to the resolution on the furnishing of blank proofs of loss by members to agents adopted

by the Western Underwriters Association some years ago. It reads:

"Resolved: The placing of blank proofs of loss or drafts in the hands of agents is condemned as detrimental to the interests of the business as a whole and except as individual losses are duly reported and adjustment by agents authorized, members of this association should discontinue the practice in its entirety."

The report says that while there is no widespread evidence of non-observance on part of members information comes to the committee of an occasional let-down.

S. M. Buck, vice-president Great American, reported as chairman of the governing committee.

As was anticipated would be the case the association at its Wednesday's session approved the plan of the governing committee for liquidating the affairs of the Uniform Printing and Supply Co.

The committee on public relations held the principle of public enlightenment should be held clearly in mind and practiced during the present period. Of special interest was the report offered by J. C. Harding as chairman of the committee on fire protection and engineering. The annual meeting of the association will be held at White Sulphur Springs, April 21-22.

Carpenter Tells Field Men New Rules Mean Business

LOS ANGELES—S. L. Carpenter, Jr., San Francisco, manager Pacific Board, told the Southern California Fire Underwriters Association that the new separation, release and binder rules of the board will be enforced rigidly and that a \$500 fine will be levied on any company violating the separation rule. This rule, he said, means that a company cannot remain in an agency where the agent does business with non-board companies, even as a broker.

The release rule means that rates under it must be approved by the district secretary. Mr. Carpenter explained that the binder rule outlaws verbal binders and that all binders must be reported within 10 days.

Organize New Chicago Inter-insurance Exchange

Progress Insurance Association, a new inter-insurance exchange, has been formed at 1827 North Harlem, Chicago. It will specialize in writing a standard automobile liability policy for different risks, but will accept other business.

Carlyle Durfee, for four years claims attorney for New Century Casualty, is vice-president and counsel.

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Graded Costs Are Simplest Answer to the Mutual Menace

(CONTINUED FROM PAGE 21)

ures which will enable us to retain our position on the ordinary risks and stop the loss of and get back the larger risks, we would certainly be much better off. I say this because all good agents and companies must admit that they can handle additional large risks without materially increasing their expenses. This being so, is it not better to do something that will put us decidedly in the running again than to do nothing and to continue to lose the business the agents need for their livelihood and the companies need for their sound growth and stability?"

Mr. Bond pointed to another reason entirely apart from the mutual competition that augers for graded costs. He referred to the present day practice of the larger risks of installing insurance departments. Describing most of them as well equipped and functionally adequate, he said that the result is that the assured do not feel that they should be called upon to pay the charge produced by average costs.

Tax Exemption Unwarranted

The mutuals' big advantage through lower taxes is entirely unwarranted on the grounds that they are profit-sharing organizations, Mr. Bond said. A close examination will disclose that they have paid dividends out of the savings in the costs of doing business but they have never returned to their policyholders any part of the earnings above the savings.

Another advantage for the mutuals is to be found in the rating laws, he said. While these laws regulate the stock companies, they do not effectively regulate the direct-sellers, because the latter can increase their competitive advantage, by the simple expedient of paying all or a substantial part of the amount saved in expenses to their policyholders, in the form of dividends. The tendency in some quarters of leaning toward the extension and tightening of rate laws should be halted, he said. It seems to be the feeling in these quarters that rate laws are a panacea for all competitive evils. This is just what the direct sellers want, and the best indication of this is that these concerns are the strongest, most consistent and persistent advocates of rate laws.

Few Automobile Restrictions

The reason stock companies have been able to protect themselves on the large automobile liability and property damage risks is that comparatively few states have laws regulating rates for these lines, he said. Not the least objectionable angle of rate legislation is that rate laws inevitably tend to destroy initiative and flexibility in the business, which, by its very nature is confronted by a distinct and important differential in the hazard of risks. Under arbitrary rate regulations, they often come within the same statutory general class. It is true that at times the business has suffered from open competition run wild, he said, but experience has clearly demonstrated that this need be of concern only temporarily, because these conditions tend automatically to right themselves.

Further Threats Contained

The movement for compulsory automobile insurance laws is worthy of the most serious attention, Mr. Bond declared. These laws unquestionably have a popular appeal because the public generally does not appreciate the evils that come with them or realize that the cure is worse than the disease. The laws involve congestion of the courts, increased costs of insurance to motorists, a tendency to let the unfit motorist remain on the road, subject only to insurance requirements, and the underlying basic and brutal theory that the proper

thing to do is to pay for injuries and deaths instead of adhering to the fundamentals of prevention.

Further there are always the constant threats of monopolistic state insurance, of inadequate rates and of a reduction of agents' commissions in face of the fact that the agent is required to do much more work. It may be argued that the one state, Massachusetts, which has had such a law has had no state monopoly. This is true, but it is not because of any lack of persistent effort to the contrary. The efforts cannot succeed in that state without a constitutional amendment. It is certain that the business does not want these laws and it appears that most assured do not either.

There has been an increasing tendency to adopt the attitude that compulsory automobile insurance is inevitable and that insurance should join its proponents in getting the best possible law on the books. This is dangerous, Mr. Bond said, and compares with the methods of all pressure groups which first take their opponents into camp and then work their will on them. No one can seriously believe that if a compulsory automobile law was put on the books it could avoid becoming a typical law, making a political football out of the automobile liability business. There is no reason to be discouraged in the fight against the law, he said, when after 13 years only one state has the compulsory automobile law and that probably because when it was under consideration, the casualty business was divided among itself.

Joins Godchaux and Mayer

Jack B. Wallace, formerly with the A. C. Vreeland agency at New Orleans, has been appointed assistant manager of the casualty department of Godchaux & Mayer, there.

Returns to American Credit

John E. Beahn has returned to American Credit Indemnity, Baltimore, as sales promotion manager.

Brokerage Firm Moves

Bulkley & Horton, insurance brokerage firm at 57 Lafayette avenue, Brooklyn, has moved to its own new building at 660 Fulton street, Brooklyn. George W. Irwin is manager.

Sergeant R. J. Cunningham, special agent of the Royal Indemnity in Phoenix, Ariz., is probably the first draftee released from the army under the new law deferring men over 28 years old. He was given his paper at the Fort Sill, Okla., induction center Sept. 10.

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Mut'l Benefit H. & A. United Benefit Life Agents Gathering

(CONTINUED FROM PAGE 22)

died by the thousands. Some companies withdrew policies. Mutual Benefit did a foolish thing, beginning to issue the most liberal policy it ever had written. The epidemic had created in the public mind a great desire to be protected. We came on the scene at the right time.

Recalls Bank Holiday Service

"And during the depression we went right ahead issuing checks during the bank holiday, and these checks were paid when the banks reopened. We took care of our policyholders. From this we derived a great sales advantage."

Vice-president Carroll in introducing Dr. Criss said, "The medical profession lost a great family physician when Dr. Criss went into the insurance business."

"I am glad," replied Dr. Criss, "to have sacrificed any success as a physician to be surrounded by all these friends. To be up-to-date with our salesmen, our executives spend quite a bit of time in the field. I still sell insurance myself. This helps me and the others to overcome the same objections you meet and to help you. You, in turn, help us draft policies which you can sell."

"I believe that life retirement indemnity has a great future. The average policy pays disability for a year, whereas we have a policy that pays for life. That makes a considerable difference."

Other speakers at the banquet were Hubert Carden, superintendent of agencies of the two companies; Vice-president Finch; A. W. Hewertz, Memphis, manager.

Mr. Carden said the president "started from under scratch. He took over an organization that had claims due with-

out the money to pay them. Dr. Criss had to get the business, and he did."

The assets last year, he said, had grown to near \$30,000,000, life insurance in force to \$171,000,000 and premium income to \$22,000,000. He urged specializing by learning to sell one policy.

Vice-president Finch in the Saturday morning session recalled that Mutual Benefit H. & A. between Nov. 26 and Dec. 1, 1926, wrote \$310,500 of business. Up to Dec. 31, 1940, the companies had written over \$550,000,000 of life insurance.

Manager Sheehan spoke briefly Saturday, saying last year, 34,400 people were killed by automobiles and 1,400,000 injured. The injured, he said, are spreading the word of the worth of accident insurance.

Other officials present included W. E. Huggins, superintendent of claims; J. F. Flaska, executive vice-president, Ontario, and W. E. Edgeworth, resident vice-president, New York City.

D. S. Walker, Philadelphia manager, was chairman of the convention committee, assisted by J. E. Jones, Washington manager; C. R. DeWitz, Baltimore manager; Messrs. Sheehan, Holden and Helmbrecht; R. H. Catlin, New Haven, Conn., manager; F. W. Hale, Pittsburgh manager, and A. W. Holtzman, Rochester, N. Y., manager.

To Sponsor License Law

ST. PAUL—A drivers' license law with "teeth" in it, providing for renewal fees for licenses and requiring all drivers to take mental and physical examinations, will be sought by the Minnesota Safety Council, it was announced following a meeting of the executive committee in St. Paul.

Gates Locates in St. Paul

ST. PAUL—B. F. Gates has come from Fresno, Calif., to be assistant manager of the service branch of the Hartford Accident here. This is a new position in St. Paul. Mr. Gates has been with Hartford 15 years.

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Minnesota Agents Hail Commissioner

(CONTINUED FROM PAGE 13)

Mr. Johnson further entrenched himself with the insurance men when H. E. Reynolds, Duluth, new executive committee chairman, announced in a report that the commissioner had advised him he would approve the extended coverage endorsement, making it legal in Minnesota. He is also expected to act soon on use and occupancy forms, which have been filed by the companies following corrective legislation last winter.

Secretary's Report

That the Minnesota association must continue to expand its activities if it is to go forward was the theme of the "Keynoting the Future" address of F. S. Preston, Minneapolis, executive secretary-treasurer.

"There is no telling how far our association can go but we will give the members as broad a program as they want and will support," he said. "We have the responsibility to put on a strong program; we must improve the value of our members to the buying public through an educational course and hope to develop something more elaborate along this line the coming year. We are facing a hard fight and must gird ourselves to defend our business."

Mr. Preston praised the record of stock insurance and stressed the importance of representatives of the agents sitting in with company officials in working out needed improvements in coverage. He cited what the Minnesota association has accomplished in broadening automobile policies.

Urge Qualification Law

The Minnesota association is expected to continue its efforts to get a stronger agents qualification law. Both President Hirman and C. O. Brown, chairman of the special qualification law committee, recommended that the fight for such legislation be carried on. Mr. Hirman said the public is in favor of a stricter qualification of agents and will support legislation along that line.

In his message as national president, P. H. Midyette, Tallahassee, Fla., advocated the establishment of a joint company and agents government contact office at Washington to promote as well as defend the interests of both. "Our competitors are running rings around us in Washington," he declared. He paid tribute to Charles F. Liscomb, Duluth, past president of both the National and the Minnesota associations.

University Dean on Program

The importance of better training and education of agents in the future came in for considerable attention. Dean R. A. Stevenson of the school of business, University of Minnesota, told what the state institution is now offering in the way of insurance education and what it might be persuaded to do in the future.

"Insurance is a field calling for the highest type of intellectual ability," Dean Stevenson said. "It is a subject that should be the constant study of qualified specialists and research workers. The university is ready to do its part in providing an effective program."

Mr. Hirman recommended expansion of present university courses and said that some elementary study of insurance should be required of all high school students.

Breakfast Sessions

The Minnesota agents are strongly for a stricter drivers license and financial responsibility law and opposed to compulsory automobile insurance. These topics were discussed at a breakfast meeting Saturday for district and regional leaders with Mr. Enberg presiding.

At the same time a breakfast meeting for rural agents was held in charge of G. E. Rolien, Milaca, who stressed the importance of agents in rural communi-

ties exploring and developing farm business.

"There is plenty of farm business to be had in Minnesota if we go after it," said Mr. Rolien, who has achieved an excellent record as a producer in a town of 1,500. The extended coverage endorsement can be used to pry loose a lot of farm business, he added. Several company men attended this session, including B. R. Walinder, Chicago, farm and hail manager America Fore; H. J. Clough, Minneapolis, farm special agent of that group; O. J. Eastman, Minneapolis, secretary Northwestern F. & M. and G. G. Strom, St. Paul, special agent St. Paul F. & M.

SALES FORUM

The panel discussion on prospecting and selling insurance, conducted Saturday morning by M. W. Mays, New York, director Business Development Office, proved popular. Assisting Mr. Mays were three company men, K. L. Hingst, Minneapolis, state agent, American of Newark; Nick Dekker, Minneapolis, state agent America Fore and J. H. Lewis, St. Paul, state agent St. Paul F. & M., and three local agents, R. A. Thompson, Minneapolis; R. V. Hood, Duluth, and G. F. Parkos, New Prague.

How to locate, approach and sell prospects was gone into in detail, with considerable disagreement among the panel participants on the best methods of doing these things. "Endless chain" and "cold" prospecting were both approved and condemned. The value of watching the newspapers and the public records for tips on new business was stressed. Direct mail solicitation had critics as well as supporters. Mr. Mays expressed the belief that this method of getting business has proved its value but it must be done properly and followed up.

Argument on Surveys

The discussion closed with a rather warm debate over the question whether surveys should be left with the assured or retained by the agent making it. Mr. Mays said the agent who leaves a copy of his survey with his customer is "giving away valuable trade secrets" and advised against it. Mr. Reynolds, who has achieved quite a record as a survey maker, took the opposite side of the question and credited whatever success he has had in that field to the fact that he has always left the survey with his client but sees to it that it is brought up to date periodically.

Horace McMullen, Chicago, National Board, described the activities of that organization and what it is doing for the public and the insurance business.

Howard Williams, Mankato, chairman of the regional activities committee, reported a growing enthusiasm for regional agents meetings.

President Gives Report

President Arthur A. Hirman reported the membership as 725, and all-time high, with 81 new members secured during the year. President Hirman pointed out that approximately 5,000 people are dependent upon the members for their livelihood. The association now stands in sixth place in membership rank in the country.

Mr. Hirman reported that the activities of the legislative committee had been particularly heavy the past year. In addition to being faced with some extremely detrimental legislation, he said, the association embarked upon a constructive program of substantial size for the first time in history. The work done by the chairman of the committee took practically his entire time from January to April.

The qualification law sponsored by the association did not pass, yet it was advanced much further than at any other previous session. The important thing was that an adequate bill actually was

drawn and filed and its failure of passage did not dismay the committee, because of the difficulty that has been experienced in other states in passing such bills.

A bill to introduce in Minnesota the gross earnings U. & O. form, prepared by special U. & O. committee of the association together with representatives of the Fire Underwriters Inspection Bureau and Western Underwriters Association, became a law. There now seems to be some official question that this law as it was drafted, will accomplish the purpose intended, Mr. Hirman said. The matter will have to await ruling by the attorney general and the committee will continue to swing its influence for the legalization of the form in the state.

Defeat Compulsory Bill

Compulsory automobile insurance legislation was defeated through the efforts of the Minnesota association and other interested organizations. Submission of substitute legislation was left in the hands of others as the association felt that it was more to the interest of other groups to propose the law and that a proposal by the association might be misunderstood by the people. When the bill offered by other interests bogged down in politics, the legislative chairman submitted an association bill. However, it was too late to get action.

President Hirman recommended that the association back a four point safety program including the examination of drivers and vehicles; safety engineered highways, streets and intersections; an enlarged highway patrol, and a strict financial responsibility law. He also recommended that the association create a master safety committee to compile suggestion and ideas for use in the state.

Outlines Women's Association

Miss Sabina Curran, president of the St. Paul Association of Insurance Women, in outlining the purposes and the history of the growth of insurance women's organizations, emphasized the point that neither the local groups nor the National Association of Insurance Women were organized to promote any sort of a union of insurance office employees.

Miss Curran declared that the newly formed national association comprising 35 member clubs in 28 states, with an individual membership of 2,859, was organized solely to promote good will among the women in the insurance business and conduct educational work along insurance lines.

Some may ask the reason for this demand for better education on the part of office girls, she said, adding that the men hold the answer. Insurance agents realize that their time must be largely free for the job of selling and they want a system in the office which will run itself. In most cases "the system in the office" is the office girl. Frequently, it is necessary for the girls to give out information and they can't be blamed for wanting to know what they are talking about. The real stock in trade is service and any agency which is not well equipped to solve insurance problems through service backed by intelligent employees, will be unable to meet the competition.

More than 85 National Board arson investigators are situated at strategic points throughout the country to aid authorities, Horace McMullen, special investigator for the committee on incendiarism and arson of the National Board, told the agents. Twelve of these men are former agents of the F.B.I., three from the United States secret service, several from the government narcotic division, and three others from various government investigating agencies. Nineteen are lawyers, he said, two of whom have been county attorneys. One of the little known facts about the staff is that they can supply agents who speak good French, German, Greek, Yiddish, Italian, Polish and Russian.

During the year ending in May, 1941, the National Board investigated 2,685 fires of suspicious origin. There were 647 arrests and 394 convictions. This is an increase of 15 percent over last year.

Michigan Deputy on Auto Finance Cover

(CONTINUED FROM PAGE 20)

for continuing the licenses of any automobile dealers or their employees.

The attorney-general went on to say that while a finance company may designate the insurer or agent if the transaction is simply between the buyer of the car and the finance company, if the finance company is interested in the insurance agency or insurance company, to which the coverage is directed in any financial way, then such a transaction violates the anti-rebate law and the agent or company is subject to revocation of license. However, Mr. Burwell said, the question is whether there are substitute services available for the public and the finance companies if all the licenses of companies and agencies owned by finance interests were immediately revoked. If the agents desire to continue to write this type of insurance, they must maintain a class of service equal to the demands of the auto purchasers and finance companies, he declared.

Mr. Burwell mentioned the high commissions that were formerly paid for finance business. For the most part these high commission contracts have now been corrected. However, he said, independent insurance companies should examine into their underwriting practices and adjust their business in such a fashion that no abnormal expense will be developed or maintained on finance writings which would throw an unnecessary burden on to the premium secured from coverage on other automobiles.

The rules that the department proposes to adopt do not guarantee to the individual agent that he will enjoy the privilege of continuing writing finance business unless he maintains a class of service equal to the demands of the purchaser and finance company. The agent must recognize that problems of mass production have followed into the finance program and the business is geared accordingly.

Some U. & O. Losses Are Now Being Expedited

NEW YORK—Under normal business conditions underwriters predicate their acceptance of use and occupancy lines upon a moderate percentage loss possibility. Today, aside from plants engaged in war defense work, the anticipated loss factor has been stepped up to between 50 and 60 percent of the face of the policy, and the percentage may have to be still further advanced as defense manufacturing gains momentum, and the difficulty increases of securing raw stock, machinery and building material within reasonable periods.

Against this increased exposure is the experience of insurers with losses upon plants engaged in essential defense operations. As an example the electric generator in a large utility property in the southwest was badly damaged by fire a short time ago. Ordinarily several months would be required in order to make effective replacement. As the plant supplies power throughout large manufacturing sections the government directed that repairs be given priority over all other work at the electrical machinery establishment, with the result that the needed repairs were completed within two months instead of the customary six or nine months.

Admitted to Little Rock Exchange

LITTLE ROCK—Three new members were admitted to membership in the Little Rock Insurance Exchange at the first fall meeting. They were the Sterling R. Cockrill Agency, Holcomb Realty Co., and the Jarvis Insurance Agency. The exchange voted to participate in observance of Fire Prevention Week by providing speakers to stress its importance and to hold meetings monthly John Woods, vice-president, presided.

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Montana Agents in Convention

(CONTINUED FROM PAGE 3)

at this hearing became the basis for a notice to Pearl to show cause why the license should not be cancelled. Hearings on this notice to show cause has been delayed by the legal moves on the part of Pearl.

Huppert Reports

Cancellation of authorization for contract bonds by surety companies because of the growing tendency of the government to enforce priorities on materials is only one of the things with which insurance men are concerned in these rapidly changing times, according to Arnold Huppert, Livingston, secretary-treasurer of the association.

Mr. Huppert spoke forcefully of the Pearl insurance situation in Montana, and vigorously commended state officials, including Commissioner Holmes for their effort to inject equity into this situation.

Promiscuous appointment of agents is a major problem, Mr. Huppert said, today more than ever. If figures and statistics mean anything at all, they prove conclusively that these promiscuous appointments have been very costly to the company, he said. Why, then, do companies and special agents make them, he wondered.

Mr. Huppert strongly urged the association to work for an agents qualification law.

President Peter Yegen, Jr., in his annual report, said there was an increased membership of 5 percent. He referred to the good work done by officers and committeemen. He said that the agents have received the finest kind of co-operation in the state from the companies. He commended Arnold Huppert of Livingston, secretary, for his work and especially for his editorship of the association house organ. National Councillor E. L. Heidel of Bozeman should be retained in that position, he said and minimum dues should be \$5.

Royal Man Believed First Over 28 to Win Release

Sergt. S. J. Cunningham, special agent of Royal in Phoenix, Ariz., is probably the first selectee released from the army under the new law deferring men over 28 years old. He was given his papers at the Fort Sill, Okla., reception center Wednesday, Sept. 10, at 9:20 a. m., (C. S. T.) or about an hour before releases were issued to selectees at Camp Callen, Cal., the men publicized as the first to get releases. He returned to his post, having been given leave of absence by Royal and receiving a portion of his salary during the training period.

Unusual Fire Suit Settled

Prolonged litigation arising from destructive forest fires in 1938 in the Campbell river country, Vancouver Island, has ended with Bloedel, Stewart & Welch agreeing to pay assessed damages of \$92,594 to Elk River Timber Co. The supreme court found for the Elk River company. The Bloedel company's appeal was unsuccessful.

In the 1938 fire standing timber, cold-decked logs and equipment were destroyed. Several other companies filed damage suits against the Bloedel concern, claiming that the fire was due to that company's failure to observe necessary fire hazard precautions. These suits were settled out of court.

Caminetti Presses for Refunds

Refund of overcharges paid by purchasers of automobile insurance on financed cars will be accomplished no matter how much time is required, Com-

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missioner Caminetti of California stated. A great amount of investigation is entailed. He plans to go back as far as the law permits and to have companies advise the department as refunds are made, so that an accurate check may be kept and the department assured proper refunds have been made.

Tokio Retires from Canada

The Tokio Marine & Fire Insurance Company has ceased to transact business in Canada. The company has re-insured its liabilities in Canada in British America, Indemnity Marine, Century and Agricultural. The Tokio already had withdrawn from the U. S.

Heavy Hail, Windstorm Damage

BLOUNTSVILLE, TENN.—Agents here and in Kingsport report heavy losses in Sullivan county from a wind and hail storm Sept. 5. Crop damages from the hail were heavy and many buildings were unroofed in the high wind.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Hansen Is Iowa Vice-president

CEDAR RAPIDS, IA. — Council Bluffs was selected by the executive committee of the Iowa Association of Insurance Agents for the 1942 convention.

A. W. Hansen, Clinton, was named regional vice-president. He fills the vacancy created when George H. Cockburn of Cedar Rapids was elected executive vice-president of the association.

R. S. Andrews, Sioux City, C. D. Friday, Osceola, and A. R. Melrose, Charles City, were reelected regional vice-presidents.

The association is tentatively considering a mid-year meeting in Des Moines.

The association adopted a strong resolution calling for equitable taxation on all types of insurance carriers, and recommended full support to the National Association of Insurance Agents in their program of tax equalization.

Another resolution passed calls for support of the National association's campaign for passage of a satisfactory fire code for every community in Iowa. The association strongly commended the Farm Underwriters Association's scholarship program for the rural use of Iowa and other midwestern states, and promised full support of the program in Iowa.

A record year for traffic and highway fatalities and injuries was predicted for 1941 by John J. Hall, National Conservation Bureau. Mr. Hall estimated that fatalities would reach 43,500 and injuries 1,750,000. This will have a heavy effect on premiums within two years, he said.

The Council Bluffs' attendance cup, which is awarded each year to the city, sending the largest percentage of membership to the state convention, went to Des Moines, with 42.8 percent of membership represented. John J. Wagner, Cedar Rapids, made the presentation.

Companies Lose Suit on \$12,000 Missouri Loss

KANSAS CITY—Federal Judge Otis has handed down a verdict in favor of Dr. L. H. Trotter, chiropractor, in a suit in which four insurance companies had denied liability on policies totaling \$12,000 as a result of fire which Aug. 25 destroyed the Trotter sanatorium near Excelsior Springs, Mo.

The court judgment granted Dr. Trotter the right to collect \$3,500 each from Home of New York and National Fire. Each had sought a declaratory ruling setting aside their policies of \$3,500 on the grounds that arson was involved. Two defendants, Hanover Fire and Royal, with policies of \$2,500 each, were ruled out as defendants because federal courts have no jurisdiction over civil cases involving less than \$3,000.

The companies produced evidence to show that Kenneth O. Gibson, 25 year old former employe of Dr. Trotter at the sanatorium, had testified he set fire to the building at the direction of Dr. Trotter. However, evidence was introduced that Gibson had made an attempt to change his story.

The companies may take the case to the U. S. circuit court of appeals.

Plan Wisconsin Mutual's Meeting

Plans for the annual meeting of Wisconsin mutual fire companies in Milwaukee Oct 16-17 were completed at a conference in Manitowoc. The program there arranged by Junias Pleuss, Manitowoc Mutual Fire.

Added Features of Wisconsin Program

MILWAUKEE—Long one of the important features of the Wisconsin Association of Insurance Agents conventions, the breakfast session of the annual meeting here Sept. 25-26, will be held Friday morning from 8:30 to 10:30 o'clock. The agents then will hold a question and answer period at the tables. D. W. Swanson, St. Paul F. & M., chairman, announced his panel of experts who will answer questions in certain lines. They are:

H. R. Thiemeyer, manager brokerage department, North America, Chicago, fire and allied lines; Arthur Moyer, Chicago service manager of the same company, automobile fire and theft; E. A. Finn, superintendent automobile department, Hartford Accident, Chicago, automobile casualty; W. H. Rutherford, Chicago, claims attorney of the same company, general casualty claims; P. J. Leen, Chicago, superintendent western marine department Fireman's Fund, marine lines; Craft Voneiff, Milwaukee, resident manager, Ocean Accident, boiler and machinery; H. E. Frost, Milwaukee, Wisconsin state adjuster America Fore companies, fire losses; Irvin Loughlin, Milwaukee, assistant cashier, Travelers, general casualty lines; Joseph Goddard, Milwaukee resident vice-president, Aetna Casualty, bonds.

Organization Chief to Speak

In addition to speakers previously announced in the tentative program, Secretary Robert Ebert advised that Clyde Dalrymple, Milwaukee general agent Preferred Accident, president National Accident & Health Association, will speak Friday morning at the general session on "Your First Duty to Your Policyholders." Governor Heil of Wisconsin plans to attend the banquet Thursday evening and take part in presenting diplomas to graduates of the short course in the University of Wisconsin the last week in July. The banquet is expected to attract 500 agents and guests. Many new and valuable features are planned.

Detroit Fire Rate Hearing Postponed to Oct. 27

Because many fire companies licensed in Michigan have not yet filed the special reports on experience requested some time ago by Commissioner Berry, a scheduled hearing on dwelling rates charged in protected territory throughout Michigan was deferred until Oct. 27, and the companies were given until Oct. 10 to file the required information.

The hearing is to be conducted by the state rating commission, consisting of Commissioner Berry, M. T. Eveland, banking commissioner, and H. J. Rush-ton, attorney-general. These constitute a special body which has sole power to order changes in fire rate schedules for Michigan territory.

Commissioner Berry said the rating commission must have full experience reports as a basis for judging whether Detroit complaints of excessive insurance costs are well founded. The companies were asked to report on premiums collected, losses paid, and losses incurred by various classifications in protected territory. It was said 194 carriers have filed their experience, but the department requires experience of all to make a satisfactory tabulation and analysis.

The hearing will cover not only Detroit dwelling rates, but those charged in all other protected territory. There

are 49 Michigan cities with a water supply and paid fire departments, constituting the first six protection classifications, while there are approximately 300 other communities in Classes 7 and 8, having water supplies and volunteer fire departments.

Gov. Murray D. Van Wagoner specifically requested broadening of the rate inquiry after it had been contemplated at first to study only the Detroit rate situation.

Company men contend Michigan rates, particularly Detroit, are equitable; that there have been steady reductions as experience has improved. They feel there is a bad conflagration hazard in Detroit which should be recognized despite favorable loss ratios in recent years.

Ray & Co. Agency Outing Is Held Near Indianapolis

A good turnout of agents representing the W. P. Ray & Co. general agency of Indianapolis, enjoyed the fourth "Ray Day" at the Indianapolis Country Club. A round of golf was followed by one of the club's famous steak dinners, at which Mr. Ray presided. He introduced the four company representatives: H. A. Yates, vice-president National Union; W. J. Wood II, assistant secretary Camden and manager automobile department; P. H. Hawes, superintendent of agencies Central Surety, and Irvin C. Faber, Cook county (Ill.) manager National Union.

The Ray agency "became of age" in August and Mr. Ray was given a "shower" of congratulations when this was announced. Walter Dittmer of the agency awarded golf prizes, among winners being Don Ellis, Hadley-Mahoney agency, Indianapolis, low gross; James Corbett, Indiana Insurance & Realty Corp., Marion, second low gross; M. W. Dinius, Marion National Corp., Marion, blind par, and Guy Kornblum, Forrest G. Sherer agency, Terre Haute, company's handicap.

Big Crowd at Rock Island Agents' Jamboree

A large crowd turned out for the annual jamboree of the Rock Island (Ill.) Association of Insurance Agents. The afternoon was devoted to golf and other games and the evening to a dinner and entertainment.

Among the guests introduced by President Charles J. Montgomery after the dinner were W. H. Jennings, Jr., Rockford, chairman Illinois association; C. T. Lawrence, Peoria, manager Underwriters Adjusting; R. S. Stratton, Davenport, Ia., manager of Western Adjustment; Ralph S. Danforth, assistant secretary Millers National and most loyal gander of the Illinois Blue Goose; H. E. Morrow, superintendent of underwriting Bituminous Casualty, Rock Island; Joseph Pelegrino, manager central branch office of Bituminous; Joseph Oakleaf, secretary Moline and East Moline Insurance Association; I. D. McDowell, and A. J. Anderson of the Kewanee, Ill., association.

Plan Wichita Demonstration

The Wichita Association of Insurance Agents will sponsor a demonstration of the Wichita fire department at the municipal stadium during Fire Prevention Week. Dwight Smith, newly elected president, presided at a meeting at which it was voted to ask for the 1942 meeting of the Kansas Association of Insurance Agents at the Salina convention as part of the Wichita Association's celebration of its 20th anniversary.

Committee chairmen appointed are: Executive, Earl Woodward; civic, A. R. Larkin; educational, B. J. Weldon; fire prevention, L. P. Crawford; grievance, L. W. Bauerle; insurance, John C.

Kelly; public safety, L. B. Brown; programs and meetings, Dorth Coombs; public relations, Wm. Matchette; publicity, Byron Chappel; speakers bureau, L. B. Brown; membership, A. E. Smoll.

Buckeye Union Agency Meetings

The Buckeye Union will start a series of agency meetings at Lima, O., Sept. 23 and close at Columbus, Oct. 28. Meetings also will be held in Toledo, Grand Rapids, Mich., Defiance, Zanesville, Canton, Akron, Cleveland, Fremont, Mansfield, Cincinnati, Dayton, Indianapolis, and Huntington, W. Va. Speakers will include Ira L. Morris, secretary-general manager; H. L. Andrews, underwriting manager; S. W. Schellenger sales promotion manager; J. A. Dodd, fire company assistant manager; D. R. Haverick, special liability representative; President Frederick E. Jones; B. J. Mertz, comptroller, and A. R. Gibson, vice-president of the fire company. Plans for developing and increasing business will be discussed.

Fairfax Drainage Loss

The report on the Fairfax Drainage District Pump House fire at Kansas City, Kan., is of interest. There was an explosion in the early morning and the entire building was involved. Two workmen were killed and eight injured. The cause is now believed to have been from petroleum or sewer gas. Fire and supplemental contract insurance with 90 percent coinsurance in the amount of \$33,000 on building and \$54,000 on contents was carried. The assured has estimated that cost of repairs to building and equipment will exceed \$70,000. This sewer pumping station is vitally important for flood protection for the Fairfax district which includes several highly essential industries and an important airport.

Wichita Insurance Women Meet

The Insurance Women of Wichita opened their year at a luncheon meeting with President Mable Frost, Crum & Forster, presiding. New officers were installed by Helen Compton, retiring president. A bowling team of women in the Dulaney, Johnston & Priest agency will compete in a city league. Special meetings at the Salina convention of the Kansas Association of Insurance Agents Sept. 24-26 of special interest to insurance women were announced. The first evening meeting was held, with a travel talk on Alaska by Miss Jessica Smith, who recently returned from a trip there.

New Rules for Filing Forms

Rules and regulations governing filing of policy forms, riders and endorsements were promulgated by Commissioner Johnson of Minnesota, effective Oct. 1. These require a brief description of the form, its use and purpose, a copy of any form to be superseded; rate sheets, distinguishing form number, printed forms only, forms submitted in duplicate place for countersignature by authorized agent if necessary, form number and name of policy to be used, no amendments by typewriter or ink insertions or deletions. It also must be noted whether form has been approved by the home state, or other states.

Revamp Ashland School Cover

ASHLAND, WIS.—The board of education has accepted a recommendation from a special committee of local agents on coverage of public school buildings and contents. The plan will reduce the number of policies from 234 to 102 immediately and eventually to about 40. Each agency that has operated continuously for at least five years will participate in the distribution of the business

with five policies. Policies will be renewed on a five-year basis, and the coverage will be on a 90 percent coinsurance basis, with extended coverage.

Ohio Agents Meet at Sandusky

Agents from 12 Ohio counties will attend a district meeting at Sandusky Sept. 25. There will be a get-together session in the afternoon and dinner. R. W. Hoyer, Columbus, former president Ohio Association of Life Underwriters, will speak. V. G. Martin, Columbus, executive secretary Ohio Association of Insurance Agents, will attend. A trustee to represent the district in the Ohio association will be nominated. P. W. Tribolet of Bellevue is the present trustee. Guy Nearing, Bowling Green, president for the district, will preside.

Bailey Speaks at Kenosha

KENOSHA WIS.—Howard W. Bailey, Milwaukee, state agent Dubuque Fire & Marine and president Wisconsin Insurance Club, addressed a dinner meeting of the Kenosha Association of Insurance Agents, telling the mechanics behind the scenes in the home office. He described the course of the daily report from agent to permanent file in the home office, work of examiners, accountants and field men, and explained reinsurance. W. H. Bullamore, president, presided.

Milwaukee Board's New Slate

MILWAUKEE—The Milwaukee Board has nominated the following candidates for election in October: President, Ralph L. Martin; vice-president, T. Z. Clayton; secretary, Joseph G. Grundle; treasurer, William F. Koch; directors L. C. Hilgemann, Clarence Derksen and J. L. Loos. The Board has elected Charles McKeown to membership. Solicitors appointed at the September meeting are Edwin Conway, Morris Heller H. G. Loewenbach, John Marx and John Petrykus.

Speakers Class Resumes Sept. 29

The Speakers Class, successfully conducted last year in Indianapolis by a group of fire fieldmen, will resume meetings Sept. 29. Prof. C. H. Waters, Butler University, again will be instructor. He compiled instructive material on public speaking which is being distributed to members. It was decided to limit the class to 40, so it is possible it will be conducted in two sections if more than that number should enroll. J. A. Bawden, Springfield F. and M., is chairman and C. R. Watkins, New York Underwriters, secretary-treasurer.

Plan Women's National Meeting

ST. PAUL—All members of the St. Paul Association of Insurance Women are expected to lend a hand in arranging for the 1942 annual meeting of the National association here. Mrs. Fern Harrington, general chairman, has asked each member to indicate her choice of committee assignments and when all have responded she will appoint the various sub-committees.

Milton W. Mays, B.D.O. director, New York, addressed the St. Paul women at their first fall meeting Sept. 16.

Golden Jubilee Agency

The Hamm & Vetter agency of Portsmouth, O., has continuously represented the Norwich Union for 50 years. In recognition of this event, State Agent J. A. Neilan presented L. J. Vetter, head of the agency, with an appropriately inscribed mahogany and bronze desk set. He has personally represented the company for the last 27 years.

Mooney Heads Flint Agents

Walter Mooney, of McKinnon & Mooney, was elected president of the Flint Association of Insurance Agents. Other officers are: vice-president, Gerald Fauth, Mason & Fauth; secretary-treasurer, Claude Hommes; executive committee members, Messrs. Mooney, Fauth

and Hommes, P. J. Braun, Newell & Braun; R. A. Gillespie, I. A. MacArthur and A. E. Cobb.

Broderick Minnesota Change

The firm of D. F. Broderick of Minnesota has now been dissolved and the office in Minneapolis is now a direct service office of Dearborn National and Dearborn National Casualty.

The same sort of a change is also being effected in Indiana.

State Farm Agents Gathering

Fire and life agents of the State Farm companies for southern Kansas held a one-day school in Wichita under direction of Vice-president Morris Fuller of Bloomington and John Gronner, Topeka, state director. District Managers John Cottingsworth, McPherson; H. J. Bullard, Dodge City; H. Jaeger, Salina; and W. Z. Johnson, Wichita attended.

David Fox Joins Fox & Fox

David J. Fox, son of R. C. Fox and brother of R. M. Fox, of Fox & Fox, one of the oldest Indianapolis local agencies, has joined the agency. He has just finished two years in the New York office of the Royal-Liverpool group and had three years at Notre Dame.

Control of Midwestern Fire Acquired by Stone Group

DES MOINES—Control of the Midwestern Fire of Des Moines has been transferred to the interests of W. C. Stone and associates of the Combined Mutual Casualty of Chicago. Approval for changing the company to the Combined Casualty of Des Moines, to sell limited accident policies, has been approved by the Iowa department.

Midwestern Fire, which had been operated in connection with Midwestern Casualty company of Des Moines, was organized in 1936. Officers of the fire company were J. C. Shaw, president; J. W. Kimball, secretary, and O. P. McDermott, treasurer.

According to the 1940 annual statement the company had net premiums \$4,073 and net losses paid \$1,948, and operated exclusively in Iowa. Officers for the new company have not been selected.

Gengenbach Universal Manager

Harry Gengenbach, Chicago insurance man of 20 years' experience, has been appointed manager of the Chicago branch of Universal and Universal Indemnity, following the resignation of James E. Cagney, who had handled the companies there for 12 years. In the short time Mr. Gengenbach has been in charge there has been a substantial increase in business. Mr. Gengenbach has greatly increased the staff of the Chicago branch.

Mr. Gengenbach for the last 3½ years has been associated with the Illinois department's bureau of liquidation, doing special work. He started in insurance with Georgia Casualty in Chicago, being special agent and doing claims work for five years. Then he was a partner of W. W. Heise in the former W. W. Heise Agency, 1929-1934.

There was a short period in which Mr. Gengenbach was associated with the head offices of Central Mutual and Franklin Mutual in Chicago, doing special work, before he went with the liquidation bureau. He also for many years operated an independent adjusting office, however having relinquished that interest more recently.

Examiners' Season Starts

The Fire Insurance Examiners Association of Chicago will hold its first meeting of the season Thursday, in DeMet's Grill, at 5:30 p. m. The subject will be a motion picture "Trees to Tribunes."

Emmett S. Hughes of the Arthur E. Campbell adjusting firm, Seattle, has gone on active duty as a first lieutenant in the army.

Create Customers' Demand for Fidelity

(CONTINUED FROM PAGE 19)

played an important part. Under the old system of schedule bonding many agents as well as customers looked upon the whole proposition as a complicated affair involving as it did the adding and deducting of employees, the figuring of additional and pro rata premiums, as well as the innumerable underwriting requirements, to say nothing of the possibility of failing to include under the bond certain key people after bond became effective.

The blanket bond as modernized is a simple document and the requirements are equally simple. For instance it should be easy to point out that an insured is covered against any dishonesty committed by any employee on his payroll. Under the streamlined coverage there are no additional or return premiums because of an increase or decrease in staff. Only one premium is charged at the beginning of the year and employees subsequently entering the service of the insured are covered the moment they are placed on the payroll. In other words it is like selling a fire policy in a certain amount. The customer knows he is insured against fire up to that amount and he has the same assurance now under the blanket bond. To further simplify the operation, only one application completed by the employer is required, leaving it optional to him as to whether or not he desires the surety to investigate his employees.

Gives Examples of Cost

If ever there was a time in American business when the investigation services of a surety company are desirable from the standpoint of the employer that time is now. As business booms there is bound to be a constant shift of employees from job to job and many additional employees will be taken on to handle the increased work, all of which vastly enhances the hazard of embezzlement. Tremendous sums of money will be passing through the hands of employees for the first time in many years. Supervision from the top may not be as strict or as careful. Many opportunities will be offered to those who may succumb to temptation and employers may sustain unbelievably large losses unless they have full protection.

Consider the small businessman having five employees—three in the general office and a couple of salesmen. A blanket bond in the amount of \$2,500 will cost that businessman a premium of \$63. An employer with a small factory having a few executives, a few salesmen on the road, several bookkeepers and general clerks and with a plant personnel of 40 to 50 would pay a premium of \$86.60 for the same bond.

This particular type of coverage is commonly known as the blanket position form with a uniform amount of insurance on each employee. In other words, if three employees worked in collusion the insured could collect three times the amount of the bond, or \$7,500, if the embezzlements reached that amount. This insurance today is known as the group honesty policy. In order to overcome the complicated method of premium computation, surety companies generally supply charts to their agents indicating the flat premium cost which can be determined without the necessity of referring to the fidelity manual. The group honesty policy is written in a minimum amount of \$2,500 and multiples thereof up to \$25,000.

Boon to Small Operator

Another type of blanket honesty insurance is known as the commercial blanket bond. This bond was designed originally for the larger mercantile and industrial concerns. The difference between the two forms of bond is that there is no distinct amount of protection on each employee but the amount is blanket and applies to any one or all employees, so when a loss occurs the bond is reduced by the amount paid in

the absence of specific insurance on each employee. After payment of any loss, however, the bond can be automatically restored to its full penalty by endorsement so that the client is properly protected as to any undiscovered losses. This type of bond is written in a minimum penalty of \$10,000 and can be taken in any amount above that. Heretofore the minimum bond penalty was \$25,000.

Here again the change in rules of the Surety Association and the reduction in rates have made it possible for the smaller business concerns handling unusual amounts of cash under present-day conditions to take full advantage of the opportunity to obtain adequate coverage on a reasonable basis. In the first case cited above, that is a small employer having a few salesmen and two or three in the office, a bond in the amount of \$10,000 can be purchased for as low as \$90. In the second example cited the premium for bond in the amount of \$10,000 would be approximately \$135 to \$140.

Many banks whose blanket bond coverage was reduced drastically after 1929 find themselves with their deposits doubled and tripled, doing much more business every day but without any increase in the amount of their blanket bond or burglary protection. Even if those banks have provided fully against contingencies through increase in blanket bond amounts, they are called upon today to make loans under the defense program to mercantile establishments who may have no honesty insurance whatsoever. In other words, the banker who presumably safeguards his assets in his own institution will pass those assets out in the form of loans without undertaking to see whether or not they will be similarly protected in the hands of the borrower.

The National Association of Credit Men has attempted to overcome this defect by asking its members to ascertain whether honesty insurance is carried by customers when extensions of credit are granted. Some banks doubtless do the same thing, but in the vast majority of cases—proven by the fact that industry today is 90 percent underinsured with respect to this protection—no real attempt is made to remedy matters.

"It does seem as if the surety industry—companies and agents—have a real opportunity now to demonstrate their usefulness and to provide for industry generally vitally needed protection as an integral part of the defense program. The time may come when banks and credit men will insist upon customers carrying blanket honesty and all-risk on money and securities as a standard business practice. It is just plain common sense."

RURAL AGENT'S ROLE

Describing the role of the rural agent in national defense, R. W. Forshay of Anita, Iowa, vice-president of the National Association of Insurance Agents, outlined five methods of service which the crisis demands.

The first of these responsibilities, Mr. Forshay stated, calls for an appreciation that farm values of every description are rising in varied proportions and all require immediate adjustments to value. It is important, he said, to the farmer and to the nation depending upon agriculture that conscientious local agents make certain that insurance is adequate in amount and up to date in coverage.

The second responsibility, Mr. Forshay said, should find rural agents actively, sincerely and completely attempting to remove all known fire hazards.

Number three on Mr. Forshay's list of requirements was described as a "natural" for the State of Michigan which has pioneered in the establishment of a Rural Fire Fighting Auxiliary Unit program. This type of activity drew the highest praise from Mr. Forshay.

Describing challenge number four, Mr. Forshay summarized requirements in

(CONTINUED ON PAGE 34)

Mabel Frost, president; Gertrude Hartke, first vice-president; Emza Dominick, second vice-president; Eva Jackson, secretary; Edna Willson, treasurer and Hazel Kenyon, reporter.

Virgil G. Martin secretary Ohio Association of Insurance Agents, addressed the Mutual Insurance Club of Columbus at its monthly meeting.

The engagement of Julia Katherine Israel, daughter of Robert E. Israel head of the well known Wichita Agency, to L. C. Jackson, Jr., of Wichita, was announced.

John Engstrom, Jr. Harris, Burns & Co. Agency, was named chairman of the Fire Prevention Week committee of the Wichita Chamber of Commerce.

Captain E. J. Menalis, member of the

Minneapolis fire department for 26 years, has been placed in charge of fire prevention at the \$30,000,000 ammunition plant at New Brighton, Minn.

Articles of incorporation were filed by Adjusters Offices Co., Detroit, with authorized capital of \$1,000, incorporators being R. B. and B. E. Knight and Betty J. Johnson, all of Detroit.

Sixteen radio stations in Iowa will be utilized during Fire Prevention Week in a program of addresses, John Lenehan, First American Fire, president Iowa State Fire Prevention Association announced.

Scott Berridge, Holton, Kans., local agent, was elected commander of the Kansas American Legion department at their annual gathering in Topeka.

ciation of Insurance Agents, originally scheduled for Oct. 28-29, has been changed to Oct. 29-30. It will be at Hotel Sheraton, Springfield, Mass.

Arrange Women's Entertainment

NEWARK—Mrs. John H. Folk, 2nd., of Brielle, has been appointed chairman for ladies' entertainment arrangements at the annual convention of the New Jersey Association of Insurance Agents be held at the Berkeley-Carteret Hotel, Asbury Park, from Sept. 24-26.

Schmelz Heads Somerset Agents

SOMERVILLE, N. J.—Conrad C. Schmelz of this city was elected president of the Somerset Association of Insurance Agents at a dinner meeting here. T. S. VanSyckel, Bound Brook, became vice-president, and Grand Chapman, Gladstone, secretary-treasurer.

NEWS BRIEFS

At the New Jersey State Firemen's Association convention in Atlantic City a resolution was adopted to ask legislation to establish regional fire schools, particularly in rural sections of New Jersey, along the lines of those established in other states.

Ajax Realty & Insurance Co. has been incorporated in Providence, R. I., to do a real estate and insurance business, with J. A. McQuirk, F. L. Martin and Anthony DiPetrillo, all of Providence, incorporators.

Warren R. Roberts, local agent at Bethlehem, Pa., has been appointed special deputy in the Pennsylvania treasury department.

The Insurance Women of New Jersey held their first dinner meeting Thursday evening in Newark.

EASTERN STATES ACTIVITIES

Boston Courses to Start Soon: Run 20 Weeks

BOSTON—The Insurance Library Association will offer fall and winter evening classes in fire, casualty and inland marine insurance, and suretyship. The fire course will begin Oct. 17, 6:10 p. m. The first period throughout the 20 weeks will be devoted to the standard fire policy, clauses and forms, and loss adjustments. The lecturer will be C. W. Elwell, Boston branch manager Fire Companies Adjustment Bureau. In the second period, lectures and lecturers will include:

Oct. 17, 24 and 31, riot and civil commotion, aircraft damage, sprinkler leakage, tornado and windstorm, explosion, K. W. Erskine, Boston manager L. & L. G.

Nov. 7 and 14, rents, rental value, leasehold, profits and commissions, R. G. Hinkley, manager New England department, American.

Nov. 21 and 28, extended coverage endorsement, Mr. Erskine.

Dec. 5, 12 and 19, sprinkler leakage, aircraft damage, demolition, earthquake and war risk insurance, Mr. Hinkley.

Jan. 9, 16, 23, use and occupancy, Mr. Erskine.

Inland marine classes will begin Jan. 30 and continue weekly in the second period until March 6 when inland marine will be given in both periods continuing until April 17. The lecturers will cover in the main the subjects recommended by the Insurance Institute. G. L. Richards, manager ocean and inland marine department, Boston branch office of the Aetna Life and affiliated companies, will conduct the inland marine lectures, assisted by S. B. Edwards, his assistant manager, on "Personal Property Floaters," Harold Bartlett, assistant secretary Boston, "Bridges," and Lawrence Moore, manager marine department O'Brien, Russell & Co., "Jewelry Block."

Suretyship lectures begin Oct. 14, 1941, in the second period, and will cover

subjects recommended by the Institute in the new second-year course in suretyship. The course will continue until March, in charge of C. E. Megargel, manager Fidelity & Deposit.

Lectures on casualty insurance covering the subjects of Casualty II in the revised Institute course will be given Tuesday evenings, in general charge of P. W. Linscott, former superintendent loss department, Employer's Liability.

Buffalo Board to Celebrate 100th Anniversary Oct. 29

BUFFALO—The Buffalo Association of Fire Underwriters will celebrate its 100th anniversary with a banquet in Hotel Statler Oct. 29. Attendance is expected to exceed 600 and will include prominent insurance executives from all parts of the country. The banquet also will mark the 60th anniversary of the association's incorporation.

Organized in 1841, the Buffalo association has served as a model for similar organizations over the country and is held in high esteem in insurance circles.

Cocktail parties will be held before and after the banquet and an elaborate program of entertainment is being planned. Wives of insurance men will be invited. Members of the Buffalo Field Club and the Buffalo Casualty & Surety Club as well as other associations from western New York will be on hand.

F. E. Wheeler is general chairman, assisted by Jay W. Rose, program; Charles Epes, invitations, G. Edwin Spitzmiller, dinner; Gleason Lapey, entertainment; John W. Baird, publicity, and August G. Glasser, ex-officio, president of the Buffalo Association.

Principal speakers and other program detail will be announced later.

Mass. Agents Change Dates

BOSTON—The date of the annual convention of the Massachusetts Asso-

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IN THE SOUTHERN STATES

DeWitt Adjustment Firm Expands Staff and Officers

DALLAS—To take care of expanding business, the C. E. DeWitt Claims Service has moved to larger quarters in the Kirby building here.

Paul Phillips, C. E. Smith and Robert Weaver have been added to the staff. Mr. Smith represented Zurich for many years. Mr. Weaver, casualty adjuster, was with the Lloyd Caldwell Corporation Claims Service for several years, while Mr. Phillips, specializing in fire and inland marine losses, was formerly with Western Adjustment for 10 years in Kansas and Missouri.

Exchange Elects Officers

The Gibson County (Tex.) Exchange elected these officers: G. W. Marrs, Dyer, reelected president; W. T. Cunningham, Milan, vice-president; Neal Senter, Humboldt, secretary-treasurer; Clyde Bethshares, Humboldt, Paris Townsend, Rutherford, and H. P. Webb, Milan, directors.

Oklahoma Committees Named

Standing committees were appointed by Fred Daniels, president of the Oklahoma Association of Insurance Agents. Chairmen are: Membership, Harry Parrish, Tulsa; accident prevention, Ben Voth, Tulsa; rural agents, Kent W. Johnson, Alva; education, Addison Sessions, Okmulgee; fire prevention, G. C. Nordstrom, Tulsa; conference, E. R. Ledbetter, Oklahoma City, and fire conference, Hank Moran, Oklahoma City.

Bielaski Talks to Tenn. Marshals

NASHVILLE—A. Bruce Bielaski, assistant manager of the National Board, talked on "Fire Prevention and the Defense Program," at the annual school for state fire marshals conducted here by Commissioner McCormack. Forty members of the Tennessee State Fire Prevention Association, headed by President Leon McGilton, were guests of Commissioner McCormack at a luncheon.

Other speakers included H. S. Avery and L. H. Harber, special agents, National Board; Dr. R. C. Steinmetz, chief special investigator Mill Mutual Fire Prevention Bureau, Chicago; George Raines, manager Fire Companies Adjustment Bureau, Nashville, and Paul Eldridge, president Tennessee Fire Underwriters.

Half Million Damage to Store

NASHVILLE—Destruction by fire of the building and contents of the Fifth Avenue store of F. W. Woolworth & Co. here will involve a loss of some \$500,000, covered by insurance. The fire originated before daylight and had gained headway before the first engine arrived. The cause has not been determined.

Agents' Hearing Postponed

Hearing of charges against Herman Jones, Suffolk, Va., local agent, was scheduled to take place Sept. 11 before the State Corporation Commission but

went over until Sept. 25. He is charged with representing unauthorized companies and misrepresenting contracts of insurance.

NEWS BRIEFS

Replacement of three pieces of horse-drawn fire-fighting equipment of the Richmond, Va., department is proposed in a resolution before the city council to appropriate \$40,000 for the purpose for new equipment.

In proclaiming Oct. 5-11 as Fire Prevention Week in Virginia, Governor Price emphasized the need to prevent the destruction of the industrial, agricultural and economic resources of the state.

The Texas state fair at Dallas proclaimed Oct. 6 a "Fire and Casualty Day."

The Smith Roberts Insurance agency of Tonkawa, Okla., was bought by A. R. Smith and will continue to do business under the name of the A. R. Smith Insurance Agency.

With a government ammunition plant to be constructed near the city, the Chattanooga city council plans the largest purchase of new fire equipment in history, 10 new fire engines at a cost of \$100,000.

Ky. Agent to Insurance Department Post



DWIGHT R. PEEL

FRANKFORT, KY.—Dwight R. Peel of the Peel & Co. agency at Benton, has been named supervisor of the fire prevention and rate department of the division of insurance in Kentucky, effective Oct. 1.

Mr. Peel is widely known in insurance circles. He is a past president of the Kentucky Association of Insurance Agents, and has been serving as chairman of the rural agents committee of the association the past year.

He succeeds D. P. Vandivier, who is returning to the insurance business in Louisville.

Rounds Out 50 Years with St. Paul F. & M.



F. R. BIGELOW

ST. PAUL—Although he was 2,000 miles from the home office at the time, Chairman F. R. Bigelow of the St. Paul Fire & Marine was remembered by his associates on the 50th anniversary of his entry into the St. Paul organization. With Mrs. Bigelow he was at Jasper Park hotel in the Canadian Rockies, where he received 50 American Beauty roses from officers and old-timers in the company. The hotel management also honored Mr. Bigelow with a huge anniversary cake.

Mr. Bigelow entered the employ of the St. Paul Sept. 7, 1891, a few months after his graduation from Williams college. His first job was opening the mail, after which he was assigned to clerical work, then became bookkeeper. Later advancement made him marine

secretary, assistant secretary, vice-president, president and finally chairman.

The rapid expansion of the St. Paul after he became president is shown in these figures: When he assumed the presidency Aug. 8, 1911, net surplus was \$2,349,403. On June 30, this year, net premiums for six months were \$8,073,859 and surplus \$23,962,765. Number of employees has jumped in that period from 60 to 1,000 and home office space has been tripled.

In addition to his insurance career, Mr. Bigelow has been active in civic and other financial fields. He is chairman of the board of the First National Bank of St. Paul; director of the First Trust Co., St. Paul; president of the board of trustees of Macalester college, St. Paul. He is interested in all athletic sports and a golf enthusiast.

Forshay Tells Mich. Rally of Rural Agents Role

(CONTINUED FROM PAGE 32)

the field of fire prevention and accident prevention. Envisioning that time in the near future when it might well be impossible for the companies to maintain proper staffs of inspectors and engineers to check properties in the smaller cities and towns, Mr. Forshay asked if the rural agents could not be assigned by the companies to make the necessary inspection reports.

The fifth point Mr. Forshay put forth was the suggestion that the rural agent was in a particularly fine position to become the salesman of defense stamps and bonds. "It seems only logical," he said, "that these thousands of rural agent insurance offices, the spring board for many civic activities, would gladly assume this meritorious and needful responsibility."

Mr. Forshay paid high praise to the farm scholarship program which has just been launched by the Farm Underwriters Association. Sixty-two scholarships, allotted to worthy boys and girls is indeed welcome progress on the part of capital stock fire insurance, he said.

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PACIFIC COAST AND MOUNTAIN

Program for Rally of Colorado Agents Is Announced

DENVER — The program for the annual convention of the Colorado Association of Insurance Agents at the Shirley-Savoy Hotel here Oct. 3-4 has been completed.

President Harold O. Wilber, Denver, will call the sessions to order at 10 o'clock Friday morning, and Clarence J. Daly, president of Capitol Life and of Thomas F. Daly Agency Co., will give the address of welcome. After President Wilber's annual report and greetings from field men by Horace B. Maltby, Crum & Forster; Wade Snider, vice-president Daly agency, will discuss "Workmen's Compensation Insurance." Clarence Cobb, general agent, will proffer greetings from the general agents' group. W. A. Barrett, branch manager First Bancredit Corp., Kansas City, will discuss premium financing.

Mayer and Mays

Elsie B. Mayer, Denver, president of the National Association of Insurance Women, will open the afternoon session with a talk. Milton W. Mays, Business Development Office, New York, will discuss "On the Subject of Mouse Traps."

Commissioner Kavanaugh will deal with the important subject of "Agents and Agency Appointments." Clarke Smith, assistant manager brokerage department, Royal-Liverpool, "The Position and Viewpoint of a Company Executive," Charles W. Schoelzel, Jr., Denver, chairman of the fire prevention committee of the National Association of Insurance Agents, "Fire Prevention," Robert R. Clark, U. S. manager Caledonian, will speak, and Robert D. Voss, Omaha, district manager of the Stock Company Association, will deal with the procedure of that organization.

Plan Cocktail Hour

There will be a cocktail hour in the evening followed by the annual banquet at which President Wilber will preside, and at which no speeches are scheduled.

On Saturday, Secretary Frank Englund, Jr., Denver, will report, as will Treasurer Floyd Padgett, Colorado Springs. Other reports include those by Reeve Burton, Colorado Springs, publicity and education committee; Mr. Schoelzel, legislative; Newton E. Medlock, Colorado Springs, fire and accident prevention; Edward Udry, Denver, membership; Vice-president Harold R. Koster, Salida, guiding principles; Del Van Gilder, Denver, grievance, and Herbert Fairall, Denver, resolutions. There will be a general open forum discussion followed by the election of directors and an executive session.

The General Agents Association of Colorado, Wyoming and New Mexico will be hosts at a luncheon to local agents and women.

Labor Unions' Insurance Feature Brings Ruling

Labor unions in California paying benefits to members or their beneficiaries have been advised by the insurance department a non-profit corporation should be formed limiting membership to members of a particular union for the purpose of handling the insurance feature of the organization. It is not necessary the union be incorporated.

The memorandum clarifies misunderstanding which arose following enactment of legislation which provided that even though an organization is non-profit, charitable or eleemosynary in

character it must apply for and obtain a permit from the commissioner.

The new legislation went into effect Sept. 13. It does not affect unions which heretofore have been operating under the fraternal benefit society sections of the insurance code, but refers solely to those which have claimed complete exemption from the insurance law. The legislation validates what hitherto has been unlawful transaction of insurance by legitimate labor unions, giving the commissioner power to issue a certificate of exemption and to prosecute violations.

Washington Advisory Group in Session at Seattle

A three-day session of the Washington Advisory Committee was held at Seattle, during which conferences were held with committees representing local agents and fieldmen. Presiding was R. H. Griffith, vice-president of Glens Falls, chairman.

The agents committee, headed by H. T. Anthony, Spokane, presented problems. Included on the state association committee were President F. N. Bellinger, Bellingham; J. M. Blair, Puyallup, and Harry Paxton, Walla Walla. The fieldmen's committee consisted of G. E. Moore, Fireman's Fund; W. C. Carlyon, Crum & Forster, and J. H. Ohrner, Royal-Liverpool groups.

Three members of the Washington Advisory Committee were not in attendance this year, Joy Lichtenstein, Hartford Fire; G. V. Lawry, Travelers, and A. W. Whalley, Seattle general agent. In addition to Mr. Griffith, the company committee included Ray Decker, Royal-Liverpool groups; Lee S. Gregory, Fireman's Fund; Herbert Ryman, Great American, and Evert Lamping, Seattle general agent.

J. K. Woolley, manager Washington Surveying & Rating Bureau, was host at his annual party which included a golf game at Seattle Golf Club, followed by dinner. Guests included the executive committee of the state agents' association, in addition to the company and agents' contacts committee. Also present were past presidents of the Washington agents' association; F. G. Clarke, attorney for the standard companies; A. W. White, president King County Insurance Agents Association, and C. R. Harold, Fire Companies Adjustment Bureau.

California Agents Hold Four Regionals in South

LOS ANGELES—The California Association of Insurance Agents, which has been conducting regional meetings throughout the state, held four in southern California this week, at Santa Monica, Santa Ana, Redlands and San Diego.

Frank Colridge, executive secretary, reviewed legislative changes; Harold I. Callis, past president, outlined association workings and policy, and William Henry, head of the farm department of the Pacific Board, explained the broader rules adopted by the board for the underwriting of farm and rural risks.

Fire Chiefs Convention Hears of War Conditions

How the London fire department is meeting the extraordinary situation due to war bombings was told at the annual convention of the Pacific Coast Association of Fire Chiefs in Reno by Chief Herbert Scott, special constable of London. His paper is being distributed to Pacific Coast fire departments. School was conducted each afternoon by M. K. Rouse, chemical engineer Pacific Board. Bomb demonstrations were made by army representatives.

Chief Thomas Carlton, Bend, Ore., vice-president, was elected president; Chief Thomas Lane, Alameda, Calif., was elected vice-president, and Chief

William Payne, Spokane, second vice-president. Chief Jay W. Stevens, chief fire prevention bureau National Board, was reelected secretary-treasurer for the 21st consecutive year. He is also executive secretary of the International Association of Fire Chiefs. This week Mr. Stevens is in Bend, Ore., to address the Oregon Fire Chiefs Association convention. Next week he will be featured at a convention of the southwestern division of the International Association of Fire Chiefs, Monroe, La.

Thorough Course in Policy Writing by L. A. Exchange

LOS ANGELES—The Insurance Exchange has completed arrangements for broadening its educational program on policy writing to include lectures on many of the phases of the insurance contract.

The first lecture will be given Sept. 18 by President W. B. Glassick on the history and development of the standard policy; Chairman Tom Branch of the committee in charge of the classes will lecture on earthquake insurance; Vice-president Robert J. White will talk on the American agency system, and Kenneth Belknap, member of the governing committee, will lecture on the average clause of the fire policy. Other speakers will talk on different phases of the business.

Oregon Agents Committee Confers at Bend Sept. 20

The newly-formed executive committee of Oregon Agents Association will meet at Bend, Ore., Sept. 20, where also will be held the annual school and conference of Oregon Association of Fire Chiefs and Oregon State Fire Association. The agents will take part in the conference.

Commissioner Thompson will speak on "Defense." Capt. L. R. Rowsell will show methods of exterminating incendiary bombs.

The agents' executive committee includes Sprague Carter, Pendleton; Elmer Patrick, Corvallis; Leslie Wadsworth, Salem; V. J. Robinson, Medford; E. G. Fearey, Astoria; Fred Jewett, Portland, and Hart Lewis, Jr., Portland.

Portland Agents Resume Meetings

The Portland Association of Insurance Agents started its fall monthly meeting programs this week at a meeting with John H. Rankin, president, presiding. A system of graded dues based on the premium volume of members is being considered. The association may make available to members an automobile finance folder similar to the one issued recently by the Washington association. It is designed to interest prospective automobile buyers in contacting their local agents and arranging financing through banks.

Washington Prevention Drive

A state-wide fire prevention program is being launched by the Washington agents' association, Orrin L. Madison, chairman fire prevention committee, announced. The drive will coincide with National Fire Prevention Week, Oct. 5-11, with all affiliated local boards cooperating. The campaign in Seattle is being planned by the King County Insurance Association, William Gasser heading the committee. Captain Sanislo of the Seattle fire department at a luncheon meeting of the King County association's trustees outlined a city-wide campaign. He stated 510 industrial plants have volunteer fire parties and it is estimated there are 10,000 volunteer fire fighters in the city.

Jones Walla Walla President

The Walla Walla (Wash.) Association of Insurance Agents at the monthly meeting elevated G. A. Jones of the Cox-Dunning Investment Company to president. He succeeds Austin Roberts of Sherwood & Roberts. Charles Thompson, Sunset Insurance Agency, is the new vice-president, and Earl Rey-



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nolds, W. L. Stirling Company, succeeds Mr. Jones as secretary-treasurer. The association will work with special agents in sponsoring meetings recommended by B. D. O.

Local Chairman for Michigan Agents Rally



ARCHIE B. MILLARD

Archie B. Millard received high praise for his effective work as general chairman in charge of local arrangements for the Grand Rapids convention of the Michigan Association of Insurance Agents. Mr. Millard knows what is needed in the way of arrangements and he watched out for the welfare of the guests in dozens of ways. Mr. Millard possesses great energy and he is in his element when he is in the midst of activity.

Gleanings from Mich. Agents Convention

Lyle H. Gift of Peoria, president, and Mrs. Lillian L. Herring of Chicago, secretary of the Illinois Association of Insurance Agents, journeyed to Grand Rapids from Cedar Rapids, Ia., where they had been kibitzing at the convention of the Iowa Association of Insurance Agents. Along with R. W. Forshay of Anita, Ia., vice-president N. A. I. A., they motored with Archie B. Millard of Grand Rapids, chairman accident prevention committee of N. A. I. A., who was one of the main speakers at the Iowa convention.

John A. Benz, assistant western manager of Sun and trustee of the village of Deerfield, Ill., was on hand. Other Chicago executives at the convention were Philip S. Beebe, associate manager, and John Meier, agency superintendent Hartford Fire; C. J. Lingensfelder, assistant secretary, and G. M. Theurer, Michigan examiner America Fore; Paul Britton, agency superintendent Fireman's Fund.

From the head office of Ohio Farmers came J. C. Hiestand, vice-president, and Dana L. Jones.

Arthur H. Stofft, from the head office of Ocean Accident, came from New York.

Paul W. Kridler of Fremont, president of the Ohio Association of Insurance Agents, mingled with Michigan friends. He was accompanied by Secre-

tary Virgil Martin and Harry Minister of Columbus, chairman of the Ohio agents finance committee. The Grand Rapids paper carried a picture of the three presidents—Kridler of Ohio, Gift of Illinois and Forbes of Michigan.

The nominating committee was headed by Phil Braun of Flint, and the resolutions committee by Harry V. Wilson of Kalamazoo. Mr. Braun's associates were Robert Sage, Ironwood; R. A. Bradley, Ann Arbor; Benjamin De Graaf, Grand Rapids; Martin Mullally, Muskegon; Jacob Van Wagoner, Pontiac; John De Vries, St. Joseph; C. G. Kaldo, Detroit.

Mr. Wilson was assisted by Austin Jenison, Lansing; R. J. Hamilton, Battle Creek; Harold Rammner, Monroe; E. M. Gage, Jackson, Samuel Eusey, Port Huron; Edwin Karrer, Detroit.

R. R. Wilde, secretary of Corroon & Reynolds, fraternized with the Michiganders.

Roy L. Davis of Chicago, western representative of the Association of Casualty & Surety Executives, flew to Grand Rapids directly after attending the convention of the Iowa Association of Insurance Agents. On Friday Mr. Davis flew to Milwaukee and then went on to Sunset Ridge Country Club near Chicago for the outing of the Chicago and Milwaukee Surety Associations. Mr. Davis is rapidly increasing his insurance acquaintanceship and knowledge of conditions in the states throughout his ken.

In the packet given out to registrants was a handy folder, courtesy of Millers National, and the Royal-Liverpool memoranda pads.

John P. Old, Jr., of Sioux Ste. Marie, new president of the Upper Peninsula Association of Insurance Agents, was accompanied by Mrs. Old, who has formed many friends in the organization. John P. Old, Sr., and Mrs. Old came into Grand Rapids somewhat later.

Robert F. Miller, assistant vice-president of National Union, made the trip from Pittsburgh.

Hartford Accidents' western department in Chicago was represented by J. W. Reitzel and C. N. Dubach.

Ed Ryan, a western product, came out from the head office of North America.

A Detroit newspaper was left at the hotel rooms each morning, courtesy of Fidelity & Deposit.

Col. J. G. Emery, former Michigan commissioner, a resident of Grand Rapids, who is now doing missionary work for the Stock Company Association, was much in evidence. He is a great story teller and he always had a group around him.

The Michigan Field Club (W.I.B. organization) had a session in Grand Rapids. D. B. Gamble, Millers National, presided. Special guests were J. C. Hiestand, vice-president, and D. L. Jones, from the head office of Ohio Farmers.

Federal Group Moves Office

The Federal group of insurance companies, Dexter Horton building, Seattle,

In Montana



H. W. SEMMELMEYER

H. W. Semmelmeier, manager of the department of public relations of the Pacific Board, is one of the speakers this week at the annual meeting of the Montana Association of Insurance Agents at Billings. He has attended a number of state meetings and always gives something refreshing.

has new quarters in the Seattle Stock Exchange building. The group includes Federal Old Line Life, and casualty and fire affiliates which are being formed.

MARINE

Canadian Pick-up Rider Recommended

A suggested form of pick-up endorsement for personal property floater policies was offered by the committee on definition of underwriting powers at the convention of the Canadian insurance superintendents at Toronto. H. D. McNairn, chairman, stated that there is a conflict in the provisions respecting other insurance contained in policies giving specific insurance and those in floater policies covering the same property. The effect may be that the assured is left without protection or that unnecessary litigation is brought about. The suggested endorsement reads:

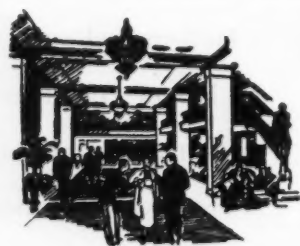
"Other Insurance — This company shall not be liable for loss or damage

occurring: while the insured shall have any other contract of insurance covering any or all of the perils insured by this policy, whether valid or not, on property covered in whole or in part by this policy, excepting that where specific policies are in force covering the same or more perils as covered hereby, then this policy shall not apply to property so specifically insured until exhaustion of such specific insurance and then only for the excess of loss over such specific insurance."

Mr. McNairn referred to the problem of regulation in the inland marine field. He said the Canadian Inland Underwriters Association is functioning and its members write about 85 percent of the business. An organization of this kind, he said, must exist to form a contact between the insurance superintendents and insurers. Otherwise the superintendents would have to deal with the situation through some other avenue than the joint committee. In the past the supervising authorities have had only passive support of the companies; individual support on the part of executives has been inadequate. Now, however, the organized support of the individual executives should make possible effective enforcement of the decisions of the superintendents based upon recommendations of the joint committee.

Hearing Set Sept. 24 on R. I. Agents' Request

PROVIDENCE — Commissioner Morin of Rhode Island called for a hearing Sept. 24 at the state house to discuss the merits of the request of the Rhode Island Association of Insurance Agents for authority to write the personal property floater, or householders' comprehensive floater, and the silverware floater without excluding coverage while in permanent residence of assured. This coverage is not allowed now in any of the New England states. It provides, in substance, "all risk" coverage on personal property of assured or his family wherever it may be, and comes under insuring powers of the marine and transportation underwriters' lines.



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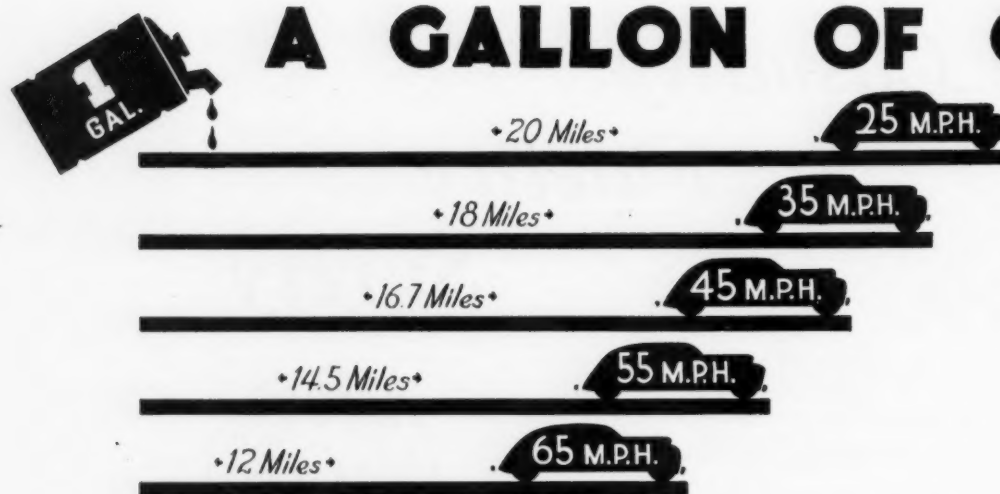
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99 John St., New York

T. L. HAFF
U. S. Manager

E. BRANDLI
Asst. U. S. Manager

HOW TO Stretch

A GALLON OF GAS



THIS CHART shows what one gallon will do for you if you're an average driver, in an average car, on an average road. Of course, some of the newer light cars will deliver nearly as much mileage at 35 as they do at 25; while a really heavy car, regardless of its age, won't give you 20 miles to the gallon under any conditions. But we're talking about the average. Now for some arithmetic.

If you roll along at the easy pace of 25 m.p.h., you burn 50 gallons per 1,000 miles and it costs you about \$8.75. At 35 m.p.h., you'll use 55 gallons; at 45 m.p.h., 60 gallons; at 55 m.p.h., 69 gallons; and at 65 m.p.h., you'll have to pour in 80 gallons to cover that 1,000 miles. The cost in the latter case will be about \$14.00. But that's not all; let's figure some more.

Oil, tires, and maintenance all enter the expense picture as speed is increased. For instance, you may use a pint of oil in a thousand miles of travel at 25; 4½ quarts at 65. Tires wear out three times as fast at 45 as at 25; ten times as fast at 65 as at 25. Maintenance costs for the 65-m.p.h. driver are double what they are for the man who keeps the speedometer needle at 45; more than three times what they are for the 25-m.p.h. motorist.

Put these items all together and you'll be amazed to find

that you pay only about \$14.40 to operate your car 1,000 miles at a 25-mile speed, \$22.00 at 45 and \$38.65 at 65!

So it's expensive, as well as dangerous, to travel at high speeds. That's something to think about, not only in relation to your purse and your personal safety but also in regard to the nation's gas conservation program. Any way you figure it, speed is mighty expensive.

COST CHART BASED ON 1,000 MILES OF TRAVEL

MILES PER HOUR	GASOLINE	OIL	TIRES	MAINTENANCE	TOTAL COST PER 1,000 MILES	TOTAL COST PER MILE
25	\$8.75	\$.15	\$1.50	\$4.00	\$14.40	1¢ ⁴⁰ / ₁₀₀
35	\$9.60	\$.25	\$3.00	\$5.00	\$17.85	1¢ ⁸⁵ / ₁₀₀
45	\$10.50	\$.40	\$4.50	\$6.60	\$22.00	2¢ ⁰⁰ / ₁₀₀
55	\$12.10	\$.75	\$7.50	\$10.00	\$30.35	3¢ ³⁵ / ₁₀₀
65	\$14.00	\$1.15	\$10.50	\$13.00	\$38.65	3¢ ⁶⁵ / ₁₀₀

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Information in this advertisement is taken from figures on automotive costs prepared by statisticians of The Travelers Insurance Companies and is now offered to the public as a contribution to the defense effort.

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